

SUMTER COUNTY,  
FLORIDA

AUDIT REPORT

SEPTEMBER 30, 2006

**Sumter County, Florida  
Audit Report  
September 30, 2006**

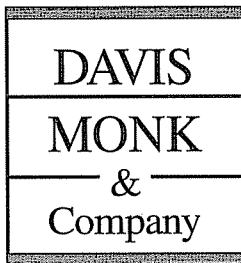
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## Independent Auditors' Report

Board of County Commissioners  
Sumter County, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Sumter County, Florida (the "County"), as of and for the year ended September 30, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the County as of September 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2007 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



As discussed in Note 6 to the financial statements, the County restated beginning net assets to retroactively apply the capitalization requirements to all major general governmental infrastructure assets.

Management's discussion and analysis and the budgetary comparison schedules listed in the table of contents as "required supplementary information" are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The information listed in the table of contents as "supplemental information", including the Schedule of Expenditures of Federal Awards and State Financial Assistance, which is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, Rules of the Auditor General, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
January 17, 2007  
Gainesville, Florida

## Management's Discussion and Analysis

The management of Sumter County offers this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2006. The analysis provides summary financial information for the County and should be read in conjunction with the County's financial statements. The financial reporting model implemented last year and the financial statements associated with it are described in the following narrative as well as the Notes to Financial Statements.

### FINANCIAL HIGHLIGHTS

- Sumter County's assets exceeded its liabilities at September 30, 2006, by \$220,179,481 (*net assets*). Of this amount \$16,700,283 (*unrestricted net assets*) may be used to meet the County's ongoing obligations to citizens and creditors. \$188,630,543 was invested in capital assets, net of related debt. The remaining \$14,848,655 was restricted by law, grant agreements, debt covenants, contributors, or enabling legislation.
- The County's total net assets increased by \$55,952,396 over 2005. This was due primarily to a donation of roads and rights of ways in The Villages retirement community to the County.
- The County's long-term liabilities increased from \$14,378,021 to \$46,470,242. The County issued bonds for \$30,105,000 to increase jail capacity and build a new administration building. The County also borrowed \$2,000,000 for fire equipment.
- The General Fund reported a fund balance at September 30, 2006 of \$10,962,004 or 26% of expenditures and transfers out.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

#### Governmental-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of Sumter County's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of Sumter County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Sumter County is improving or deteriorating.

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the County include general government, public safety, transportation,

The government-wide financial statements include not only the County itself, but also the Sumter County Industrial Development Authority, a legally separate entity for which the County is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that are segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories, governmental funds, proprietary funds, and fiduciary funds.

*Governmental funds* - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances on spendable resources available at the end of the fiscal year. Such information may be used in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate comparison between governmental funds and governmental activities.

Sumter County maintains 49 governmental funds for reporting purposes. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Sheriff Operations Fund, the Road Impact Fee Fund, the Fire Districts Fund, and the 2006 Bond Construction Fund, which are considered to be major funds. Data from the other 44 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The county adopts an annual appropriated budget for its general fund and all its governmental funds. A budgetary comparison statement has been provided for the general fund and other major special revenue funds to demonstrate compliance with these budgets.

*Proprietary funds – Internal service funds* are an accounting device used to accumulate and allocate costs internally for a government's various functions. The county uses an internal service fund to account for its self-insured health insurance activities. Because this service predominantly benefits governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. **Enterprise funds** are used to report business-type activities. The County has no enterprise funds.

*Fiduciary funds* – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the County's own programs.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided on the government-wide and fund financial statements. Notes are presented on pages 11 to 24 of this report.

### Other Information

In addition to the basic financial statements, and accompanying notes, this report also presents certain required supplementary information containing budget to actual comparisons for the general fund and major special revenue funds (pages 25 to 28). Following the required supplementary information can be found combining balance sheets and combining statement of revenues, expenditures, and changes in fund balances for the nonmajor governmental funds (pages 29 to 43) and the schedules of expenditures of federal and state awards (pages 44 to 45).

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

#### Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Sumter County, assets exceeded liabilities by \$220,179,481 at the close of the fiscal year ended September 30, 2006.

Sumter County's Net Assets		
September 30, 2006		
	Governmental Activities	
	2006	2005 (restated)
Current and other assets	\$ 97,530,154	\$ 38,263,974
Capital assets	202,301,949	154,281,347
Total assets	<u>\$ 299,832,103</u>	<u>192,545,321</u>
Current Liabilities	33,182,380	13,940,215
Long-term debt outstanding	46,470,242	14,378,021
Total Liabilities	<u>79,652,622</u>	<u>28,318,236</u>
Net Assets		
Invested in capital assets, net of related debt	188,630,543	142,174,435
Restricted	14,848,655	8,874,200
Unrestricted	16,700,283	13,178,450
Total net assets	<u>\$ 220,179,481</u>	<u>\$ 164,227,085</u>

The largest portion of the County's net assets (86%) reflects its investment in capital assets (e.g. land, parks, buildings, roads, and equipment) less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets (7%) represents resources that are subject to restrictions imposed externally or enabling legislation.

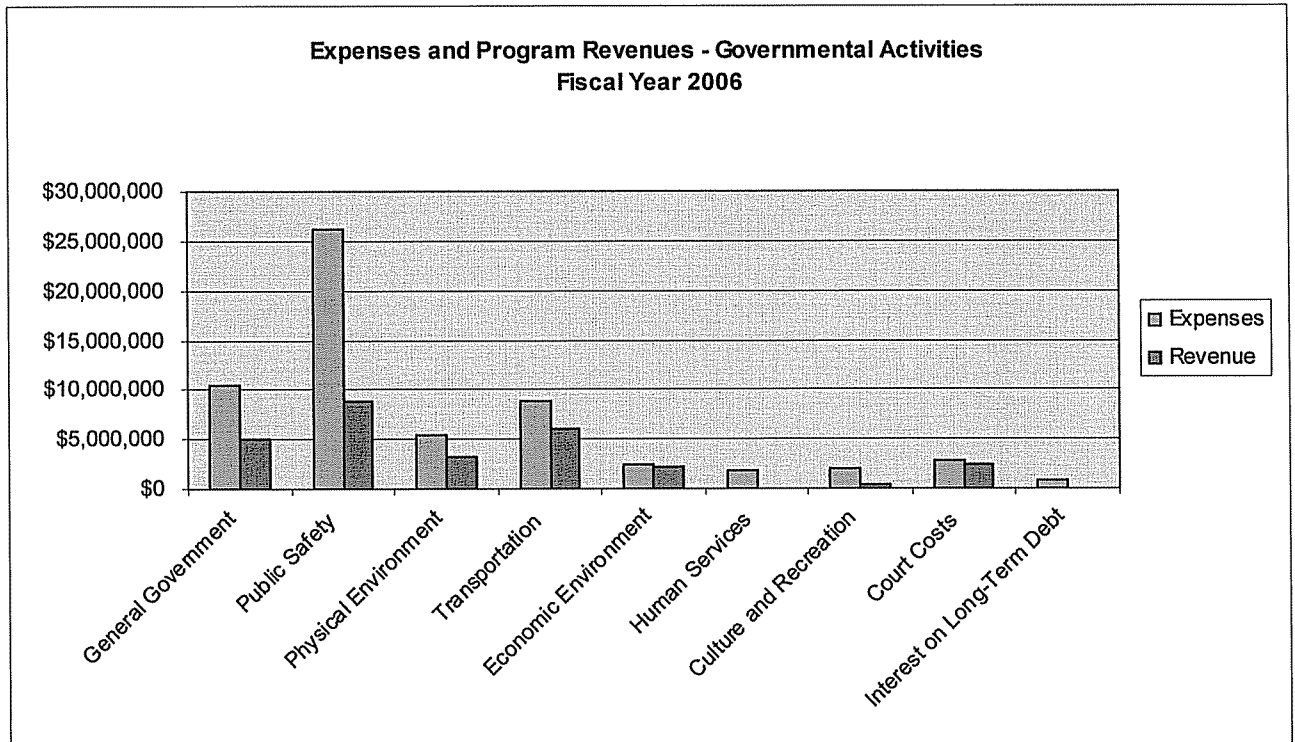
The remaining balance of *unrestricted net assets* (\$16,700,283) may be used to meet the County's ongoing obligations to citizens and creditors.

### Changes in Net Assets

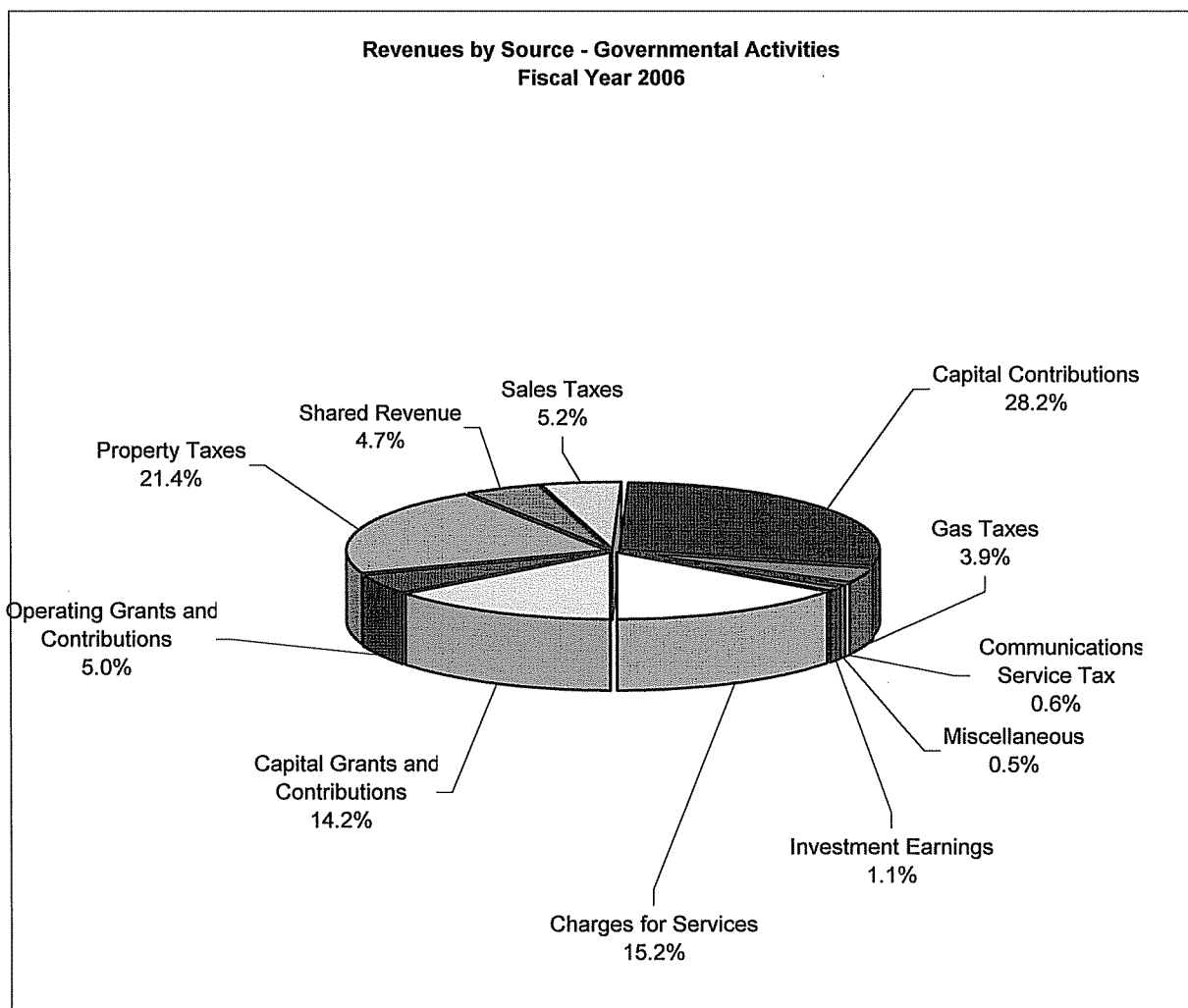
The change in net assets over time may serve as a useful indicator of a government's financial position. Net assets increased by \$55.9 million during fiscal year 2006. The following schedule provides a summary of the changes in net assets.

#### Sumter County's Changes in Net Assets

	<b>Governmental Activities</b>	
	<b><u>2006</u></b>	<b><u>2005 (restated)</u></b>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 17,756,217	\$ 15,221,362
Operating grants and contributions	5,873,392	6,135,199
Capital grants and contributions	16,605,080	9,035,464
General Revenues:		
Property taxes	24,972,946	20,392,919
Other taxes	11,614,905	10,319,916
State shared revenues	5,426,689	5,429,456
Other	34,378,165	8,335,552
Total revenues	<u>116,627,394</u>	<u>74,869,868</u>
<b>Expenses</b>		
General government	10,416,822	9,182,901
Public Safety	26,091,960	22,697,616
Physical Environment	5,441,949	5,574,339
Transportation	8,881,274	13,431,714
Economic Environment	2,353,017	1,423,880
Human Services	1,783,414	1,418,513
Culture-Recreation	2,059,176	1,589,128
Court-related	2,792,777	2,033,222
Interest on Long-Term Debt	854,609	554,066
Total expenses	<u>60,674,998</u>	<u>57,905,379</u>
<b>Increase (decrease ) in net assets</b>	<b>\$ 55,952,396</b>	<b>\$ 16,964,489</b>
Net assets-beginning	164,227,085	147,262,596
Net assets-ending	<u>\$ 220,179,481</u>	<u>\$ 164,227,085</u>



Expenses and revenues for governmental activities are shown graphically by function. The largest expenses relate to public safety followed by general government.



Revenues for governmental activities are shown graphically by source. The largest source of revenues for governmental activities was capital contributions followed by property taxes. Total revenues excluding the capital contributions of roads increased 6% over fiscal year 2005 while expenditures increased 5%. The increase in expenditures was mostly for public safety.

Even though the millage rate was decreased by 16%, property tax revenues increased by 22% due to increased valuations and additional new homes in the county.

Building permit revenue increased by 12% from \$3.8 million to \$4.3 million primarily due to an increase in building activity in The Villages.

Revenue from the small county sales tax increased 18% from \$5.1 million to \$6 million because of growth in the county.

Revenue from charges for services increased 17% from \$15.2 million to \$17.7 million due to growth in the county.

Revenue from capital grants and contributions increased by approximately 84% due to the contribution of roads in The Villages.

Spending on public safety increased 15% because of: 1) the needs of the Sheriff's Office, 2) the need to increase the budget of development services due to growth in the county, 3) increased spending on fire services.

Transportation expenditures decreased 34% from \$13.4 million to \$8.9 million primarily because the County was not asked by the developer of The Villages to be reimbursed for road impact fees projects in process on C-466A and U.S. 301. These two projects will cost approximately \$28.4 million.

Economic environment expenditures increased 65% from \$1.4 million to \$2.3million due to the availability of money for housing programs and hurricane housing recovery grant funds.

Court-related expenditures increased 37% from \$2 million to \$2.7 million due to the increased case load of the courts.

## **FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental funds**

The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of fiscal year 2006, the County's government funds reported combined ending fund balances of \$60,606,653 an increase of \$38,838,925. *Unreserved fund balance* of \$59,172,201 is available for spending at the County's discretion. The remainder is reserved to indicate that it is not available for new spending because it has already been committed for such items as debt service, capital projects, or required for financial assurance regarding possible future costs of closure at the Solid Waste Facility.

At the current time the County has five major governmental funds. They are 1) General Fund, 2) Road Impact Fee Fund, 3) Fire Districts, 4) 2006 Bond Construction Fund 5) Sheriff's Operations Fund.

#### *General Fund*

The general fund is the chief operating fund of the County. At the end of fiscal year 2006, unreserved fund balance of the general fund was \$10,735,121, while total fund balance was \$10,962,004. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures and transfers out. Unreserved fund balance represents 26% of total general fund expenditures and transfers out. There was not a significant change in fund balance from September 30, 2005 to September 30, 2006.

#### *Road Impact Fee Fund*

This fund is classified as a major fund because the large amount of assets and liabilities at year-end. Revenue and expenditures can vary greatly from year to year. Revenue is not recognized until expenditures occur and impact fees are no longer refundable. Collections of road impact fees increased from \$11.2 million to \$20.8 million from FY 2005 to FY 2006.

#### *Fire Districts*

This fund is classified as a major fund because expenditures exceed 10% of expenditures of all funds. Expenditures increased 84% from \$3,685,795 to \$6,798,744. \$2,000,000 was borrowed during the year to pay off old lease/purchases and purchase new equipment.



#### *2006 Bond Construction Fund*

The 2006 bond construction fund is classified as a major fund because of the large amount of assets compared to total assets of all funds. The bond issued in July of \$30.1 million with very little expenditure resulted in assets at year-end of \$29.9 million.

#### *Sheriff*

The Sheriff's operating fund is considered a major fund because of the Sheriff's expenditures of \$15.7 million represent 24% of total expenditures of all funds. The fund overexpended the budget by \$47,179.

#### **Proprietary funds**

As noted earlier, the County does not use enterprise funds.

The county maintains an internal service fund to account for its self-funded health insurance program. Statements for the fund can be found on pages 7-9.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The general fund budget was amended during the year to include grants totaling \$1.6 million that could not be budgeted until the grants were awarded.

#### 2006 General Fund Budget Summary

	Original Budget	Amendments	Final Budget	Actual
Carried Forward from 2005	\$ 8,977,422	149,241	9,126,663	\$ 11,000,829
Revenue and other sources	38,619,620	1,638,616	40,258,236	41,499,728
Expenditures and other uses	(43,906,324)	(1,705,927)	(45,612,251)	(41,538,553)
Carried Forward to 2007	\$ 3,690,718		\$ 3,772,648	\$ 10,962,004

#### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

##### **Capital assets**

#### Sumter County's Capital Assets Net of Depreciation September 30, 2006

	Governmental Activities	
	2006	2005 (restated)
Land	\$ 80,459,975	\$ 50,405,348
Buildings	28,362,704	24,616,347
Improvements	3,593,250	3,475,804
Equipment	11,470,998	9,027,934
Assets Under Capital Lease		251,703
Infrastructure	76,571,856	63,382,661
Construction in Progress	1,843,166	3,121,550
	<u>\$ 202,301,949</u>	<u>\$ 154,281,347</u>

The County's investment in capital assets, for its governmental activities as of September 30, 2006, amounts to \$202,301,049 (net of accumulated depreciation). As stated earlier, the major reason for this increase was the donation of roads and rights of ways to the County by The Villages. The investment in capital assets includes land, buildings, improvements other than buildings, equipment, construction in progress and infrastructure.

Major construction projects underway at the end of the fiscal year include the following:

- Reconstruction of county road C-466A with an estimated cost of \$9.6 million.
- Improvements to U.S. 301 and C-466 with an estimated cost of \$18.8 million.
- Expansion of the county jail with an estimated cost of \$22 million.
- Remodeling of leased property to provide office space for county offices with an estimated cost of \$5.3 million.

Major capital asset projects completed during the current fiscal year include the following:

- West Central Florida Agricultural Center at a cost of \$2.8 million.

Additional information on the County's capital assets can be found in Note 6 on page 17.

### **Long-term debt**

On September 30, 2006, the County had total bonded debt of \$41.9 million. The County has pledged specific revenue sources as a method of repayment.

During July of 2006 the County issued \$30,105,000 of capital improvement revenue bonds. The bonds were issued to expand the County Detention Facility and build a new County administration building. The County has ratings on its new bonds of AAA, Aaa, and AAA from Standard and Poor's, Moody's and Fitch respectively.

Additional information on the County's long-term can be found in Note 7 on pages 18-20.

### **NEXT YEAR'S BUDGET AND SIGNIFICANT FINANCIAL CONDITIONS**

- Taxable property values used in preparing the 2007 budget increased 36% from 2006. The millage rate was reduced from 7.7675 to 6.441 or 17%.
- Estimates of sales taxes, revenue sharing, and communications services tax used in budgeting for 2007 increased 16% from 2006.
- During 2006 the population of the county increased by 11.5% to 82,599.
- Unemployment rates for Central Florida are lower than Florida or the United States as a whole. Florida has the lowest unemployment rate among the nation's 10 most populous states.

### **REQUESTS FOR INFORMATION**

This financial report was designed to provide a general overview of Sumter County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Clerk of Circuit Court, 209 N. Florida St., Bushnell, Florida 33513.

**Sumter County, Florida**  
**Statement of Net Assets**  
**September 30, 2006**

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Industrial Development Authority</u>
<b><u>ASSETS</u></b>		
Cash and Equivalents	\$ 7,268,691	\$ 314,549
Investment in State Pool	85,747,672	-
Due From Other Governments	2,709,280	-
Receivables	566,196	-
Inventory	39,032	-
Prepays	17,923	-
Mortgages Receivable	431,679	-
Debt Issuance Costs	749,681	-
Capital Assets:		
Non-Depreciable	82,303,141	-
Depreciable, Net	119,998,808	-
<b>TOTAL ASSETS</b>	<u>299,832,103</u>	<u>314,549</u>
<b><u>LIABILITIES</u></b>		
Accounts Payable and Accrued Liabilities	5,642,568	-
Unearned Revenue	27,122,802	-
Accrued Interest Payable	417,010	-
Noncurrent Liabilities:		
Due Within One Year	2,351,981	-
Due in More Than One Year	44,118,261	-
<b>TOTAL LIABILITIES</b>	<u>79,652,622</u>	<u>-</u>
<b><u>NET ASSETS</u></b>		
Invested in Capital Assets, Net of Related Debt	188,630,543	-
Restricted For:		
Capital Projects	672,099	-
Debt Service	661,344	-
Other Purposes	13,515,212	-
Unrestricted	16,700,283	314,549
<b>TOTAL NET ASSETS</b>	<u>\$ 220,179,481</u>	<u>\$ 314,549</u>

See accompanying notes.

**Sumter County, Florida**  
**Statement of Activities**  
**For the Year Ended September 30, 2006**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary</u>	<u>Component</u>
					<u>Government</u>	<u>Unit</u>
					<u>Governmental Activities</u>	<u>Industrial Development Authority</u>
<b>PRIMARY GOVERNMENT:</b>						
<b>GOVERNMENTAL ACTIVITIES:</b>						
General Government	\$ 10,416,822	\$ 3,689,662	\$ 23,602	\$ 1,383,968	\$ (5,319,590)	\$ -
Public Safety	26,091,960	8,516,677	296,032	875,681	(16,403,570)	-
Physical Environment	5,441,949	2,648,926	530,931	-	(2,262,092)	-
Transportation	8,881,274	433,745	2,611,905	14,207,322	8,371,698	-
Economic Environment	2,353,017	87,037	1,975,878	98,809	(191,293)	-
Human Services	1,783,414	20,814	38,184	-	(1,724,416)	-
Culture and Recreation	2,059,176	35,917	315,318	39,300	(1,668,641)	-
Court Costs	2,792,777	2,323,439	81,542	-	(387,796)	-
Interest on Long-Term Debt	854,609	-	-	-	(854,609)	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 60,674,998</b>	<b>\$ 17,756,217</b>	<b>\$ 5,873,392</b>	<b>\$ 16,605,080</b>	<b>(20,440,309)</b>	<b>-</b>
<b>COMPONENT UNIT:</b>						
Industrial Development Authority	\$ 82,955	\$ 203,500	\$ -	\$ -	-	120,545
<b>GENERAL REVENUES:</b>						
Property Taxes					24,972,946	-
Discretionary Sales Taxes					6,045,720	-
Gas Taxes					4,587,362	-
Communications Service Tax					682,414	-
Tourist Development Tax					299,409	-
Unrestricted Shared Revenues					5,426,689	-
Capital Contributions					32,876,289	-
Investment Earnings					1,226,890	8,075
Miscellaneous					274,986	103,000
<b>TOTAL GENERAL REVENUES</b>					<b>76,392,705</b>	<b>111,075</b>
<b>CHANGE IN NET ASSETS</b>					<b>55,952,396</b>	<b>231,620</b>
<b>NET ASSETS – BEGINNING OF YEAR, As Restated</b>					<b>164,227,085</b>	<b>82,929</b>
<b>NET ASSETS – END OF YEAR</b>					<b>\$ 220,179,481</b>	<b>\$ 314,549</b>

See accompanying notes.

**Sumter County, Florida**  
**Balance Sheet – Governmental Funds**  
**September 30, 2006**

	<b>General Fund</b>	<b>Road Impact Fee</b>	<b>Fire Districts</b>	<b>2006 Bond Construction Fund</b>	<b>Sheriff</b>	<b>Other Governmental Funds</b>	<b>Total</b>
<b><u>ASSETS</u></b>							
Cash and Equivalents	\$ 967,296	\$ 753,928	\$ 136,306	\$ 199,335	\$ 435,448	\$ 4,312,325	\$ 6,804,638
Investment in State Pool	9,602,880	25,945,640	1,165	29,785,552	1,901	17,179,775	82,516,913
Due From Other Funds	1,122,007	2,054	272,997	-	319,054	602,764	2,318,876
Due From Other Governments	748,246	-	40,053	-	-	1,920,981	2,709,280
Receivables	184,843	-	272	-	9,377	289,177	483,669
Mortgage Receivables	-	-	-	-	-	507,456	507,456
Inventory	-	-	-	-	-	39,032	39,032
Prepays	14,994	-	-	-	-	-	14,994
<b>TOTAL ASSETS</b>	<b>\$ 12,640,266</b>	<b>\$ 26,701,622</b>	<b>\$ 450,793</b>	<b>\$ 29,984,887</b>	<b>\$ 765,780</b>	<b>\$ 24,851,510</b>	<b>\$ 95,394,858</b>
<b><u>LIABILITIES</u></b>							
Accounts Payable and Accrued Liabilities	\$ 1,045,174	\$ 107,006	\$ 244,722	\$ 120,217	\$ 580,659	\$ 2,473,548	\$ 4,571,326
Due to Other Funds	559,791	117,812	4,842	-	232,905	1,368,664	2,284,014
Deferred Revenue	73,297	25,365,998	-	-	-	2,493,570	27,932,865
<b>TOTAL LIABILITIES</b>	<b>1,678,262</b>	<b>25,590,816</b>	<b>249,564</b>	<b>120,217</b>	<b>813,564</b>	<b>6,335,782</b>	<b>34,788,205</b>
<b><u>FUND BALANCES</u></b>							
Reserved	226,883	-	-	-	-	1,207,569	1,434,452
Unreserved Reported In:							
General Fund	10,735,121	-	-	-	-	-	10,735,121
Special Revenue Funds	-	1,110,806	201,229	-	(47,784)	15,301,036	16,565,287
Capital Projects Funds	-	-	-	29,864,670	-	2,007,123	31,871,793
<b>TOTAL FUND BALANCES</b>	<b>10,962,004</b>	<b>1,110,806</b>	<b>201,229</b>	<b>29,864,670</b>	<b>(47,784)</b>	<b>18,515,728</b>	<b>60,606,653</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 12,640,266</b>	<b>\$ 26,701,622</b>	<b>\$ 450,793</b>	<b>\$ 29,984,887</b>	<b>\$ 765,780</b>	<b>\$ 24,851,510</b>	<b>\$ 95,394,858</b>

See accompanying notes.

**Sumter County, Florida**  
**Reconciliation of the Balance Sheet to the Statement of Net Assets**  
**Governmental Funds**  
**September 30, 2006**

FUND BALANCES – TOTAL GOVERNMENTAL FUNDS	\$ 60,606,653
Capital assets used in governmental activities are not reported in the governmental funds.	
Capital Assets – Net.....	202,301,949
Long-term liabilities are not reported in the governmental funds.	
Bonds Payable.....	(41,920,000)
Deferred Loss on Refunding.....	205,526
Deferred Charge for Issuance Costs.....	749,681
Bond Issuance Premium.....	(495,145)
Issuance Discount.....	126,621
Capital Leases.....	(150,952)
Commercial Paper.....	(1,850,000)
Landfill Long-Term Care Costs.....	(111,292)
Compensated Absences.....	(2,275,000)
Interest payable on long-term debt is not accrued in the governmental funds.....	(417,010)
Liabilities for earned but unavailable revenue are reported in the governmental funds but not in the statement of net assets.....	739,469
The assets and liabilities of Internal service funds are reported with governmental activities.....	<u>2,668,981</u>
Net Assets of Governmental Activities	<u><u>\$ 220,179,481</u></u>

See accompanying notes.

**Sumter County, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2006**

	<u>General Fund</u>	<u>Road Impact Fee</u>	<u>Fire Districts</u>	<u>2006 Bond Construction Fund</u>	<u>Sheriff</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>REVENUES</b>							
Taxes	\$ 31,701,080	\$ -	\$ -	\$ -	\$ -	\$ 4,886,770	\$ 36,587,850
Licenses and Permits	59,237	-	-	-	-	4,293,395	4,352,632
Intergovernmental	1,271,402	-	467,061	-	37,181	10,784,712	12,560,356
Charges for Services	2,900,768	-	14,221	-	-	5,757,885	8,672,874
Fines and Forfeitures	47,715	-	-	-	-	677,786	725,501
Miscellaneous	958,962	2,572,350	2,639,938	293,235	41,438	2,154,284	8,660,207
<b>TOTAL REVENUES</b>	<b>36,939,164</b>	<b>2,572,350</b>	<b>3,121,220</b>	<b>293,235</b>	<b>78,619</b>	<b>28,554,832</b>	<b>71,559,420</b>
<b>EXPENDITURES</b>							
Current:							
General Government	5,290,281	-	-	-	-	5,786,049	11,076,330
Public Safety	2,636,055	-	6,403,427	-	15,199,122	3,530,608	27,769,212
Physical Environment	1,236,081	-	-	-	-	3,098,118	4,334,199
Transportation	-	1,590,919	-	-	-	7,197,361	8,788,280
Economic Environment	596,091	-	-	-	-	1,768,370	2,364,461
Human Services	1,424,146	-	-	-	-	333,827	1,757,973
Culture and Recreation	1,828,869	-	-	-	-	205,093	2,033,962
Court Costs	32,396	-	-	-	529,095	1,919,768	2,481,259
Capital Outlay	-	-	-	442,137	-	2,009,723	2,451,860
Debt Service:							
Principal Retirement	-	-	318,070	-	-	498,623	816,693
Interest and Fiscal Charges	-	-	77,245	-	-	518,320	595,565
Bond Issuance Costs	-	-	-	593,547	-	-	593,547
<b>TOTAL EXPENDITURES</b>	<b>13,043,919</b>	<b>1,590,919</b>	<b>6,798,742</b>	<b>1,035,684</b>	<b>15,728,217</b>	<b>26,865,860</b>	<b>65,063,341</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>23,895,245</b>	<b>981,431</b>	<b>(3,677,522)</b>	<b>(742,449)</b>	<b>(15,649,598)</b>	<b>1,688,972</b>	<b>6,496,079</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	4,560,564	-	1,763,250	-	15,601,814	11,235,984	33,161,612
Transfers Out	(28,494,634)	(117,812)	-	-	-	(4,813,439)	(33,425,885)
Debt Issued	-	-	2,000,000	30,105,000	-	-	32,105,000
Bond Premium	-	-	-	502,119	-	-	502,119
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(23,934,070)</b>	<b>(117,812)</b>	<b>3,763,250</b>	<b>30,607,119</b>	<b>15,601,814</b>	<b>6,422,545</b>	<b>32,342,846</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(38,825)</b>	<b>863,619</b>	<b>85,728</b>	<b>29,864,670</b>	<b>(47,784)</b>	<b>8,111,517</b>	<b>38,838,925</b>
<b>FUND BALANCES – BEGINNING OF YEAR</b>	<b>11,000,829</b>	<b>247,187</b>	<b>115,501</b>	<b>-</b>	<b>-</b>	<b>10,404,211</b>	<b>21,767,728</b>
<b>FUND BALANCES – END OF YEAR</b>	<b>\$ 10,962,004</b>	<b>\$ 1,110,806</b>	<b>\$ 201,229</b>	<b>\$ 29,864,670</b>	<b>\$ (47,784)</b>	<b>\$ 18,515,728</b>	<b>\$ 60,606,653</b>

See accompanying notes.

**Sumter County, Florida**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balances to the Statement of Activities – Governmental Funds**  
**For the Year Ended September 30, 2006**

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ 38,838,925

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is depreciated over their estimated useful lives.

Acquisitions of Capital Assets .....	7,614,397
Current Year Depreciation Expense.....	(4,360,654)
Donated Capital Assets.....	44,965,904
Loss on Capital Asset Disposals and Abandonment.....	(198,044)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of long-term debt consumes current financial resources, but neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, discounts, and other similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Issuance of Debt.....	(32,105,000)
Principal Payments.....	816,693
Bond Premium.....	(502,119)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Landfill Long-Term Care Costs.....	24,770
Compensated Absences.....	(314,000)
Interest on Long-Term Debt.....	(246,480)
Issuance Costs.....	593,547
Amortization of Bond Discount.....	(7,448)
Amortization of Bond Premium.....	6,974
Amortization of Issuance Costs.....	(17,913)
Amortization of Deferred Charge on Refunding.....	(12,090)

The timing of revenue recognition sometimes differs between the governmental funds and governmental activities

Grant Revenue .....	133,643
Mortgage Revenue, Net.....	(32,573)

Change in Net Assets of the Internal Service Fund.....	753,864
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ 55,952,396
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See accompanying notes.



**Sumter County, Florida**  
**Statement of Net Assets – Proprietary Funds**  
**September 30, 2006**

	<b>Governmental Activities</b>
	<b>Internal Service Funds</b>
<b><u>CURRENT ASSETS</u></b>	
Cash and Equivalents	\$ 464,093
Investment in State Pool	3,230,759
Due From Other Funds	16,362
Receivables	82,527
Prepays	<u>2,929</u>
<b>TOTAL ASSETS</b>	<b><u>3,796,670</u></b>
<b><u>CURRENT LIABILITIES</u></b>	
Accounts Payable and Accrued Liabilities	1,071,293
Unearned Revenue	5,172
Due to Other Funds	<u>51,224</u>
<b>TOTAL LIABILITIES</b>	<b><u>1,127,689</u></b>
<b><u>NET ASSETS</u></b>	
Unrestricted	<b><u><u>\$ 2,668,981</u></u></b>

See accompanying notes.

**Sumter County, Florida**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds**  
**For the Year Ended September 30, 2006**

	<u>Governmental Activities Internal Service Funds</u>
<u>OPERATING REVENUES</u>	
Charges for Insurance	<u>\$ 6,344,759</u>
<u>OPERATING EXPENSES</u>	
Claims Expense	4,230,451
Premiums for Insurance/Reinsurance	1,152,596
General and Administrative	<u>606,212</u>
TOTAL OPERATING EXPENSES	<u>5,989,259</u>
OPERATING INCOME	355,500
<u>NONOPERATING REVENUES</u>	
Interest Revenue	<u>134,091</u>
INCOME BEFORE TRANSFERS	489,591
Transfers In	<u>264,273</u>
CHANGE IN NET ASSETS	753,864
NET ASSETS – BEGINNING OF YEAR	<u>1,915,117</u>
NET ASSETS – END OF YEAR	<u><u>\$ 2,668,981</u></u>

See accompanying notes.

**Sumter County, Florida**  
**Statement of Cash Flows – Proprietary Funds**  
**For the Year Ended September 30, 2006**

	<u>Governmental Activities Internal Service Funds</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Cash Received for Premiums	\$ 6,321,700
Cash Paid on Insurance Claims	(4,076,311)
Cash Paid for Insurance and Reinsurance	(1,152,596)
Cash Paid to Other Vendors	<u>(540,693)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>552,100</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>	
Transfers In	<u>264,273</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Purchase of Investments	(896,826)
Interest Received	<u>134,091</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(762,735)</u>
NET INCREASE IN CASH AND EQUIVALENTS	53,638
CASH AND EQUIVALENTS – BEGINNING OF YEAR	<u>410,455</u>
CASH AND EQUIVALENTS – END OF YEAR	<u><u>\$ 464,093</u></u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
OPERATING INCOME	\$ 355,500
Change in Assets and Liabilities:	
Due From Other Funds	(16,353)
Receivables	171,363
Accounts Payable and Accrued Liabilities	35,004
Unearned Revenue	(6,706)
Due to Other Funds	<u>13,292</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 552,100</u></u>

See accompanying notes.

**Sumter County, Florida**  
**Statement of Fiduciary Net Assets**  
**September 30, 2006**

	<b>Agency Funds</b>
<b><u>ASSETS</u></b>	
Cash and Equivalents	\$ 2,275,799
Due From Other Governments	92
Receivables	<u>3,224</u>
 TOTAL ASSETS	 2,279,115
 <b><u>LIABILITIES</u></b>	
Assets Held For Others	<u>2,279,115</u>
 NET ASSETS	 <u><u>\$ -</u></u>

See accompanying notes.

**Sumter County, Florida**  
**Notes to Financial Statements**  
**September 30, 2006**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Sumter County, Florida (the "County") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

**Reporting Entity**

The County is a non-charter, general purpose local government established under the legal authority of the Constitution of the State of Florida. It is composed of an elected Board of County Commissioners and elected constitutional officers -- Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser, Supervisor of Elections -- that operate as separate county agencies.

The accompanying financial statements present the County as the primary government, and also present its component unit, an entity for which the County is considered to be financially accountable.

*Blended Component Units* – Although legally separate entities, blended component units are in substance part of the primary government's operations and, accordingly, data from these units, if any, would be combined with the data of the primary government. There are no blended component units included in the accompanying financial statements.

*Discretely Presented Component Units* – Discretely presented component units, on the other hand, are reported in a separate column in the financial statements to emphasize that they are legally separate entities. The accompanying financial statements include one discretely presented component unit, the Sumter County Industrial Development Authority (IDA), which is a dependent special district created by County Ordinance No. 79-1, on January 17, 1979 pursuant to the authority provided in Chapter 159, Florida Statutes, for the purpose of developing and promoting industrial growth in Sumter County. The board members of IDA are appointed by the Board of County Commissioners. Separately-issued financial statements of IDA, which has a September 30 year end, are not available.

*Joint Venture* – The governments of Sumter and Lake counties established a non-profit organization, Lake-Sumter Emergency Medical Services, Inc., (the "Joint Venture") through an interlocal agreement. The Joint Venture was established to provide emergency medical services to the citizens of Sumter and Lake counties. The Joint Venture is governed by a Board of Directors whose members are appointed by each participating government. The County does not have an ongoing financial interest in the Joint Venture. However, the County does have an ongoing financial responsibility to the Joint Venture in that the Joint Venture's continued existence depends on the County's continuing participation. For the year ended September 30, 2006, the County's portion of funding for the Joint Venture was approximately \$1,277,554. Separately-issued financial statements of the Joint Venture may be obtained in the Lake County Office of the Clerk of Courts, Post Office Box 7800, Tavares, Florida 32778.

**Sumter County, Florida**  
**Notes to Financial Statements**  
**September 30, 2006**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Government-wide Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the County and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees charged to external parties. The County has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include: charges for services that are directly related to a given function; and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not properly included among program revenues are reported instead as *general revenues*.

**Fund Financial Statements**

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements, but all nonmajor funds are aggregated and displayed in a single column. The governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The County reports the following major governmental funds:

*General Fund* – The General Fund is the primary operating fund. It is used to account for all financial resources, except those required to be accounted for in another fund.

*Road Impact Fee Fund* – This fund is used to accumulate resources from developers and citizens to fund the construction of roads and the acquisition of rights-of-ways as designated in the County's Impact Fee Ordinance. Financing is provided by the levy and collection of impact fees.

*Fire District Fund* – This fund is used to accumulate resources from fire assessments and grants to fund organizations for the County's unified fire operations.

*2006 Bond Construction Fund* – This fund is used to record the resources provided from the issuance of \$30,105,000 Capital Improvement Revenue Bonds, Series 2006 to finance construction of the County's Detention Facility and other County government buildings.

*Sheriff* – This fund is used to account for the operations of the Sheriff's Office, including the operations of the County's Detention Center.

**Sumter County, Florida**  
**Notes to Financial Statements**  
**September 30, 2006**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Additionally, the County reports the following fund types:

*Internal service fund* accounts for the risk financing activities of the Board and the other county agencies on a cost reimbursement basis.

*Agency funds* account for resources held in a purely custodial capacity.

**Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Taxes and certain intergovernmental revenues constitute the most significant sources of revenue considered susceptible to accrual. In governmental funds, expenditures are generally recognized when the related liability is incurred. However, debt service expenditures, and expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**Cash and Equivalents**

The financial institutions in which the county agencies and the component unit place their deposits are certified as "qualified public depositories," as required under the Florida Security for Public Deposits Act. Therefore, the deposits are entirely insured by Federal depository insurance and/or entirely collateralized pursuant to Chapter 280, Florida Statutes.

For purposes of the Statement of Cash Flows, only highly liquid investments with original maturities of three months or less are considered to be cash equivalents.

**Investment in State Pool**

The County invests temporarily idle resources in the Local Government Surplus Funds Trust Fund, an external investment pool administered by the State of Florida (the pool). The pool has adopted operating procedures consistent with the requirements for a 2a7-like pool and the fair value of the position in the pool is equal to the value of the pool shares. The pool is not rated by a nationally recognized statistical rating agency as of September 30, 2006. Pursuant to the provisions of GASB Statement No. 31, such investments are stated at cost.

**Sumter County, Florida**  
**Notes to Financial Statements**  
**September 30, 2006**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Inventory**

Inventory is valued at cost under the first-in, first-out method and is accounted for using the consumption method. An offsetting "reserve" is reported in the fund financial statements to indicate that inventories do not represent available spendable resources.

**Mortgages Receivable**

Mortgages receivable are reported net of an allowance for uncollectible accounts of approximately \$76,000. Most of the balance is not expected to be repaid within the next fiscal year.

**Capital Assets**

Capital assets are valued at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair value on the date donated. The threshold for capitalizing property and equipment is generally \$5,000. The threshold for capitalizing infrastructure is \$25,000.

Depreciation is calculated using the straight-line method over the following estimated useful lives:

Buildings	30 – 50 yrs
Improvements	10 – 50 yrs
Equipment	5 – 15 yrs
Infrastructure	25 – 85 yrs

The County retroactively applied the capitalization requirement to all major general governmental infrastructure assets as of October 1, 2005.

**Deferred Revenue**

Approximately 94% of deferred revenues recorded in the accompanying financial statements is comprised of impact fees collected under County Ordinance. Revenues will be recognized only if the construction of roads is performed.

**Compensated Absences**

Personnel policies of the various county agencies allow a limited accumulation and vesting of unused employee vacation and sick leave. A liability is accrued when incurred in the government-wide financial statements. However, a liability is reported in governmental funds only when payment is due.

**Reserved Fund Balance**

In the accompanying fund financial statements, use of the term *reserved* is limited to indicating that a portion of reported fund equity is legally restricted to a specific future use or is not available for appropriation or expenditure.



**Sumter County, Florida**  
**Notes to Financial Statements**  
**September 30, 2006**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

<u>Reserved For</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Inventory	\$ -	\$ 39,032	\$ 39,032
Prepays	14,994	-	14,994
Landfill Closure and Long-Term Care	211,889	44,208	256,097
Specific Use	-	462,985	462,985
Debt Service	-	661,344	661,344
Totals	<u>\$ 226,883</u>	<u>\$ 1,207,569</u>	<u>\$ 1,434,452</u>

**Restricted Net Assets**

In the accompanying statement of net assets, *restricted net assets* are subject to restrictions beyond the County's control. The restriction is either externally imposed (for instance, by creditors, grantors, contributors, or laws/regulations of other governments) or is imposed by law through constitutional provisions or enabling legislation. It is the practice of the County to utilize restricted assets before unrestricted assets.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

**NOTE 2 – INVESTMENTS**

The County invests excess public funds pursuant to the guidelines established in Section 218.415, Florida Statutes. Accordingly, the County is authorized to invest excess public funds in the following instruments: The Local Government Surplus Funds Trust Fund; Securities and Exchange Commission registered money market funds with the highest credit quality rating; savings accounts and certificates of deposit in qualified public depositories; and direct obligations of the U.S. Treasury.

**NOTE 3 – PROPERTY TAXES**

In governmental funds, property tax revenues are recognized when levied, to the extent that they result in current receivables. Details of the property tax calendar are presented below:

Lien Date	January 1
Levy Date	October 1
Discount Periods	November – February
No Discount Period	March
Delinquent Date	April 1

**Sumter County, Florida**  
**Notes to Financial Statements**  
**September 30, 2006**

**NOTE 4 – INTERFUND BALANCES AND TRANSFERS**

At September 30, 2006, interfund balances consisted of:

	Due To						Total
	General	Road Impact Fees	Fire Districts	Sheriff	Nonmajor Governmental	Internal Service	
<u>Due From</u>							
General Fund	\$ -	\$ -	\$ 268,000	\$ 113,303	\$ 164,313	\$ 14,175	\$ 559,791
Road Impact Fee	-	-	-	-	117,812	-	117,812
Fire Districts	287	-	-	-	4,555	-	4,842
Sheriff	160,053	-	-	50,000	22,852	-	232,905
Nonmajor Governmental	910,443	2,054	4,997	155,751	293,232	2,187	1,368,664
Internal Service	51,224	-	-	-	-	-	51,224
Totals	<u>\$ 1,122,007</u>	<u>\$ 2,054</u>	<u>\$ 272,997</u>	<u>\$ 319,054</u>	<u>\$ 602,764</u>	<u>\$ 16,362</u>	<u>\$ 2,335,238</u>

The interfund balances resulted from the normal course of operations and are expected to be paid within one year.

Interfund transfers are summarized below:

	Transfers Out			Total
	General	Road Impact Fees	Nonmajor Governmental	
<u>Transfers In</u>				
General Fund	\$ -	\$ -	\$ 4,560,564	\$ 4,560,564
Fire Districts	1,763,250	-	-	1,763,250
Sheriff	15,380,544	-	221,270	15,601,814
Nonmajor Governmental	11,104,563	117,812	13,609	11,235,984
Internal Service	246,277	-	17,996	264,273
Totals	<u>\$ 28,494,634</u>	<u>\$ 117,812</u>	<u>\$ 4,813,439</u>	<u>\$ 33,425,885</u>

The interfund transfers were made in the normal course of operations and are consistent with the activities of the fund making the transfer.

**NOTE 5 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

**Governmental Funds**

At September 30, 2006, General Fund payables consisted of 16% wages and benefits payable and 84% payable to vendors in the normal course of business.

The payables of the nonmajor governmental funds consist primarily of amounts due for goods and services received in the normal course of business.

**Proprietary Fund**

Internal Service Fund payables are composed of normal trade payables, primarily for health insurance claims.

**Sumter County, Florida**  
**Notes to Financial Statements**  
**September 30, 2006**

**NOTE 6 – CHANGES IN CAPITAL ASSETS**

A summary of changes in capital assets follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Land	\$ 50,405,348	\$ 30,054,627	\$ -	\$ 80,459,975
Construction in Progress	3,121,550	3,002,860	4,281,244	1,843,166
Total Capital Assets Not Being Depreciated	<u>53,526,898</u>	<u>33,057,487</u>	<u>4,281,244</u>	<u>82,303,141</u>
Capital Assets Being Depreciated:				
Buildings	30,847,494	4,457,982	5,000	35,300,476
Improvements	4,933,102	322,571	5,500	5,250,173
Equipment	19,044,033	4,532,099	732,566	22,843,566
Infrastructure	77,421,934	14,771,341	-	92,193,275
Assets Under Capital Lease	279,935	-	279,935	-
Total Capital Assets Being Depreciated	<u>132,526,498</u>	<u>24,083,993</u>	<u>1,023,001</u>	<u>155,587,490</u>
Less Accumulated Depreciation For:				
Buildings	6,231,147	711,625	5,000	6,937,772
Improvements	1,457,298	205,125	5,500	1,656,923
Equipment	10,016,099	1,889,990	533,521	11,372,568
Infrastructure	14,039,273	1,582,146	-	15,621,419
Assets Under Capital Lease	28,232	(28,232)	-	-
Total Accumulated Depreciation	<u>31,772,049</u>	<u>4,360,654</u>	<u>544,021</u>	<u>35,588,682</u>
Total Capital Assets Being Depreciated, Net	<u>100,754,449</u>	<u>19,723,339</u>	<u>478,980</u>	<u>119,998,808</u>
Capital Assets, Net	<u>\$ 154,281,347</u>	<u>\$ 52,780,826</u>	<u>\$ 4,760,224</u>	<u>\$ 202,301,949</u>

Pursuant to GASB Statement No. 34, the County retroactively reported all major general governmental infrastructure assets and, accordingly, the beginning balance for capital assets was restated, as follows:

Beginning Capital Assets, as Previously Reported	\$ 140,141,973
Retroactive Capitalization of Infrastructure	14,139,374
Beginning Capital Assets, as Restated	<u>\$ 154,281,347</u>

Because of the retroactive capitalization of infrastructure, as described above, beginning net assets of the governmental activities was restated as follows:

Beginning Net Assets, as Previously Reported	\$ 150,087,711
General Infrastructure, Net of Accumulated Depreciation	14,139,374
Beginning Net Assets, as Restated	<u>\$ 164,227,085</u>

**Sumter County, Florida**  
**Notes to Financial Statements**  
**September 30, 2006**

**NOTE 6 – CHANGES IN CAPITAL ASSETS**

Depreciation expense was charged to the functions of the primary government as follows:

General Government	\$ 501,842
Public Safety	1,056,946
Physical Environment	438,284
Transportation	1,934,347
Economic Environment	6,558
Human Services	108,765
Culture and Recreation	166,866
Court Costs	147,046
Total Depreciation Expense	<u>\$ 4,360,654</u>

**NOTE 7 – LONG-TERM LIABILITIES**

At September 30, 2006, long-term liabilities consisted of:

1998 Capital Improvement Revenue Refunding Bonds	\$ 3,135,000
2003 Capital Improvement Revenue Refunding Bonds	8,680,000
Capital Improvement Revenue Bonds, Series 2006	30,105,000
Bond Premium	495,145
Less Deferred Amounts	(332,147)
Commercial Paper	1,850,000
Capital Lease Obligation	150,952
Landfill Long-Term Care Costs	111,292
Compensated Absences	2,275,000
Total Long-Term Liabilities	<u>\$ 46,470,242</u>

Aggregate maturities of the bonds are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 925,000	\$ 1,729,174	\$ 2,654,174
2008	730,000	1,921,866	2,651,866
2009	760,000	1,895,247	2,655,247
2010	790,000	1,866,261	2,656,261
2011	820,000	1,835,082	2,655,082
2012-2016	4,630,000	8,635,485	13,265,485
2017-2021	5,695,000	7,571,525	13,266,525
2022-2026	7,080,000	6,187,325	13,267,325
2027-2031	9,000,000	4,266,250	13,266,250
2032-2036	11,490,000	1,779,000	13,269,000
Total	<u>\$ 41,920,000</u>	<u>\$ 37,687,215</u>	<u>\$ 79,607,215</u>

**Sumter County, Florida**  
**Notes to Financial Statements**  
**September 30, 2006**

**NOTE 7 – LONG-TERM LIABILITIES**

1998 Capital Improvement Revenue Refunding Bonds

On August 1, 1998, the County issued \$4,775,000 Sumter County Capital Improvement Revenue Refunding Bonds to advance refund 1990A Series Capital Improvement Revenue Refunding Bonds.

Debt service is payable solely from the proceeds of race track revenue distributed by the State from the Pari-mutual Tax Wagering Trust Fund and from the proceeds of the local government half-cent sales tax distributed by the State from the Local Government Half-Cent Sales Tax Clearing Trust Fund. Interest is payable semiannually on June 1 and December 1 at rates ranging from 4.25% to 5%. Principal is payable on June 1.

2003 Capital Improvement Revenue Refunding Bonds

On October 14, 2003, the County issued \$9,435,000 Sumter County Capital Improvement Revenue Refunding Bonds to current refund the 1993 Series Capital Improvement Revenue Refunding Bonds and advance refund the 1994 Capital Improvement Revenue Refunding Bonds.

Debt service is payable solely from proceeds of race track revenue distributed by the State from the Pari-mutual Tax Wagering Trust Fund, proceeds of the local government half-cent sales tax distributed by the State from the Local Government Half-Cent Sales Tax Clearing Trust Fund, and the "Guaranteed Entitlement" and "Second Guaranteed Entitlement for Counties" distributed by the State from the Revenue Sharing Trust Fund.

The lien of the Series 2004 Bonds on the Pledged Revenues is on a parity with the lien thereon of the 1998 Capital Improvement Revenue Refunding Bonds. Interest is payable semiannually on June 1 and December 1 at rates ranging from 2% to 4.25%. Principal is payable on June 1.

Capital Improvement Revenue Bonds, Series 2006

On July 27, 2006, the County issued \$30,105,000 Sumter County Capital Improvement Revenue Bonds, Series 2006 to finance expansion of the County's Detention Facility, construction of a new County administration building and paying the costs of issuance, including guaranty insurance premium of the 2006 Series Bonds.

The bonds were issued at a premium of \$502,119 and underwriter's discount of \$143,915 for a purchase price of \$30,463,204. Insurance premiums and other costs of issuance totaled \$593,547. The net amount of \$30,000,000 was deposited to the County's 2006 Bond Construction Fund.

Debt Service is payable solely and secured by a pledge from the proceeds of the local government half-cent sales tax distributed by the State from the Local Government Half-Cent Sales Tax Clearing Trust Fund and the "Guaranteed Entitlement" and "Second Guaranteed Entitlement for Counties" distributed by the State from the Revenue Sharing Trust Fund. Interest is payable semiannually on June 1 and December 1 at rates ranging from 4% to 5%. Principal is payable on June 1.

**Sumter County, Florida**  
**Notes to Financial Statements**  
**September 30, 2006**

**NOTE 7 – LONG-TERM LIABILITIES**

The lien of the Series 2006 Bonds on the Pledged Revenues is on parity with the lien thereon of the 1998 Capital Improvement Revenue Refunding Bonds and the 2003 Capital Improvement Revenue Refunding Bonds.

Commercial Paper - \$2,000,000 from the Pooled Commercial Program of the Florida Local Government Finance Commission (FLGFC) to finance the acquisition of certain fire equipment and refinance certain outstanding indebtedness issued to acquire other fire equipment. The loan is payable from designated revenues which shall include monies derived from a covenant to budget and appropriate legally available non-ad valorem revenues. Interest is calculated and paid monthly based on the respective series of commercial paper notes from which the loan is derived. Principal payments of \$50,000 are due quarterly through September 2010, payable from the Fire Districts Fund, with a balloon payment of \$1,050,000 due December 2010.

Payments are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 200,000	\$ 70,152	\$ 270,152
2008	200,000	62,248	262,248
2009	200,000	54,343	254,343
2010	200,000	46,639	246,639
2011	1,050,000	10,375	1,060,375
Total	<u>\$ 1,850,000</u>	<u>\$ 243,757</u>	<u>\$ 2,093,757</u>

Capital Lease Obligation

The County has capital lease obligations at September 30, 2006 for various equipment. Interest rates on these capital leases range from 3% to 6%.

Future lease payments, together with the present value of the minimum lease payments, are summarized in the following tabulation:

<u>Year Ending September 30,</u>	<u>Amount</u>
2007	\$ 72,839
2008	67,590
2009	<u>15,961</u>
Total Minimum Lease Payments	156,390
Less: Amount Representing Interest	<u>5,438</u>
Present Value of Net Minimum Lease Payments	<u>\$ 150,952</u>

Landfill Long-Term Care Costs

The Florida Department of Environmental Protection (the "D.E.P.") requires landfill owners to perform certain maintenance and monitoring functions at the landfill sites for twenty to thirty years after closure. The County has accrued \$111,292 for such estimated long-term care costs as of September 30, 2006 for its closed Class I Landfill.

**Sumter County, Florida**  
**Notes to Financial Statements**  
**September 30, 2006**

**NOTE 7 – LONG-TERM LIABILITIES**

The estimated costs of post-closure care are subject to changes such as the effects of inflation, revision of laws and other variables.

Additionally, the D.E.P. requires that landfill owners escrow landfill post-closure maintenance costs in an amount sufficient to cover the following year's long-term care costs once the landfills are capped. The County has escrowed approximately \$44,208 to cover D.E.P's landfill long-term care costs.

**NOTE 8 – CHANGES IN LONG-TERM LIABILITIES**

A summary of changes in long-term liabilities follows:

	Balance October 1, <u>2005</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2006</u>	Due Within <u>One Year</u>
Bonds Payable	\$ 12,245,000	\$ 30,105,000	\$ 430,000	\$ 41,920,000	\$ 925,000
Bond Premium	-	502,119	6,974	495,145	-
Less Deferred Amounts:					
For Issuance Discounts	134,070	-	7,449	126,621	-
On Refunding	217,616	-	12,090	205,526	-
Total Bonds Payable	11,893,314	30,607,119	417,435	42,082,998	925,000
Commercial Paper	-	2,000,000	150,000	1,850,000	200,000
Capital Lease Obligation	387,645	-	236,693	150,952	69,098
Landfill Long-Term Care Costs	136,062	-	24,770	111,292	27,883
Compensated Absences	1,961,000	1,605,096	1,291,096	2,275,000	1,130,000
Totals	<u>\$ 14,378,021</u>	<u>\$ 34,212,215</u>	<u>\$ 2,119,994</u>	<u>\$ 46,470,242</u>	<u>\$ 2,351,981</u>

**NOTE 9 – PRIOR YEAR IN-SUBSTANCE DEFEASANCE OF DEBT**

In prior years, the County defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. The amount of bonds outstanding at September 30, 2006 that are considered defeased by the 1998 Capital Improvement Revenue Refunding bonds is not readily determinable.

The 2003 Capital Improvement Refunding Revenue Bonds were issued to advance refund the \$3,120,000 1994 Capital Improvement Revenue Refunding Bonds and to current refund the \$6,055,000 1993 Capital Improvement Revenue Refunding Bonds. The amount of bonds outstanding at September 30, 2006 of the defeased debt is \$2,230,000.

**NOTE 10 – PENSION PLAN**

*Plan Description.* The County contributes to the Florida Retirement System (the "System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Administration, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated

**Sumter County, Florida**  
**Notes to Financial Statements**  
**September 30, 2006**

**NOTE 10 – PENSION PLAN**

beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-6491.

*Funding Policy.* The System is employee noncontributory. The County is required to contribute at an actuarially determined rate. The rates at September 30, 2006 were as follows: Regular Employees 9.85%; Special Risk Employees 20.92%; Senior Management 13.12%; Elected Officials 16.53%. The contribution requirements of plan members and the County are established and may be amended by the Florida Legislature. The County's contributions to the System for the years ended September 30, 2006, 2005 and 2004 were approximately \$2,500,000, \$2,086,000 and \$1,825,000, respectively, equal to the required contributions for each year.

**NOTE 11 – POST-EMPLOYMENT HEALTH CARE BENEFITS**

The County provides certain health care benefits for retired employees and their dependents. Substantially all of the County's employees may become eligible for those benefits if they reach normal retirement age while working for the County. The cost of retiree health care benefits is recognized as an expense of the Internal Service Fund as claims and premiums are paid. During the year, there were approximately 51 participants eligible to receive benefits. The County contributed approximately \$71,000 in premiums for this benefit and participants contributed \$171,000. For 2006, approximately \$229,000 in claims was paid for eligible plan participants.

**NOTE 12 – RISK MANAGEMENT**

**Public Entity Risk Pool**

The County is exposed to various risks of loss related to general liability, auto liability, collision and worker's compensation. To manage these risks, the County joined the Florida Association of Counties Trust and Preferred Governmental Insurance Trust (the "Trusts"), public entity risk pools currently operating as common risk management and insurance programs for several members. Premiums paid to the Trusts are designed to fund the risks assumed by the Trusts and are based on certain actual exposures of each member.

The Sheriff participates in the Florida Sheriffs' self-insurance fund for risk related to professional police and automobile liability. The Sheriff had no settlements that exceeded coverage in the 2005-2006 fiscal year.

**Commercial Insurance**

The County carries commercial insurance for certain risks associated with property, inland marine and crime. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.



**Sumter County, Florida**  
**Notes to Financial Statements**  
**September 30, 2006**

**NOTE 12 – RISK MANAGEMENT**

**Self-Insurance**

The County is exposed to various risks of loss related to employee health, dental and short-term disability claims for which it is self-insured. An excess coverage insurance policy covers individual claims in excess of \$70,000 up to a lifetime maximum of \$1,500,000 per covered individual or family. There is an aggregate maximum reimbursement per policy period of \$1,000,000. Settled claims have not exceeded this commercial coverage maximums in any of the past three fiscal years.

Liabilities are reported if information prior to the issuance of the financial statements indicated that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated, including an estimate for those incurred but not reported (IBNRs). This estimate is based on historical experience and current trends, and is reported at current dollar value.

An Internal Service Fund (Group Insurance Fund) is used to account for the County's retained risk management activities. Changes in the Fund's claims liability were as follows:

	Beginning of Year <u>Liability</u>	Claims <u>Incurred</u>	Claims <u>Paid</u>	End of Year <u>Liability</u>
2005-2006	\$ 780,942	\$ 4,215,923	\$ 4,026,373	\$ 970,492
2004-2005	\$ 147,807	\$ 3,450,384	\$ 2,817,249	\$ 780,942

**NOTE 13 – NET ASSETS RESTRICTED BY ENABLING LEGISLATION**

The accompanying Statement of Net Assets includes \$2.3 million of net assets restricted by enabling legislation.

**NOTE 14 – CONDUIT DEBT OBLIGATIONS**

The Industrial Development Authority (a discretely presented component unit) has issued bonds to provide financial assistance to private-sector entities for the acquisition and construction of facilities deemed to be in the public interest.

The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County nor the Industrial Development Authority is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2006, the aggregate principal amount payable is not reasonably determinable.

**Sumter County, Florida**  
**Notes to Financial Statements**  
**September 30, 2006**

**NOTE 15 – COMMITMENTS**

At September 30, 2006, the County had contractual commitments for construction projects totaling approximately \$7,840,000 in excess of amounts that have been recognized in the financial statements.

**NOTE 16 – CONTINGENT LIABILITIES**

The County is involved in lawsuits in the normal course of operations. It is the opinion of management and the County's attorneys that any unrecorded, uninsured claims resulting from such litigation would not be material in relation to the County's financial condition.

The County is actively securing rights-of-ways for major road construction and expansions. Through these activities the County has exercised its right of eminent domain. At September 30, 2006 the County has deposited good faith estimates with the Clerk of Courts in an attempt to reach settlements on the acquisition price with owners of these properties. There are several actions still pending and the ultimate amounts to be settled are not determinable in the opinion of legal counsel.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**Sumter County, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – General Fund**  
**For the Year Ended September 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
<u>REVENUES</u>				<u>Budget</u>
Taxes	\$ 31,618,316	\$ 31,618,316	\$ 31,701,080	\$ 82,764
Licenses and Permits	48,000	48,000	59,237	11,237
Intergovernmental	307,400	1,855,443	1,271,402	(584,041)
Charges for Services	2,128,050	2,182,284	2,900,768	718,484
Fines and Forfeitures	20,500	20,500	47,715	27,215
Miscellaneous	222,100	258,399	958,962	700,563
<b>TOTAL REVENUES</b>	<b>34,344,366</b>	<b>35,982,942</b>	<b>36,939,164</b>	<b>956,222</b>
<u>EXPENDITURES</u>				
Current:				
General Government	5,891,787	6,632,027	5,290,281	1,341,746
Public Safety	3,098,268	2,940,628	2,636,055	304,573
Physical Environment	878,759	1,540,666	1,236,081	304,585
Economic Environment	535,121	737,999	596,091	141,908
Human Services	1,464,426	1,515,948	1,424,146	91,802
Culture and Recreation	1,649,536	2,520,710	1,828,869	691,841
Court Costs	23,000	39,200	32,396	6,804
Reserve for Contingencies	2,773,920	243,313	-	243,313
<b>TOTAL EXPENDITURES</b>	<b>16,314,817</b>	<b>16,170,491</b>	<b>13,043,919</b>	<b>3,126,572</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>18,029,549</b>	<b>19,812,451</b>	<b>23,895,245</b>	<b>4,082,794</b>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	4,275,254	4,275,294	4,560,564	285,270
Transfers Out	(27,591,507)	(29,441,760)	(28,494,634)	947,126
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(23,316,253)</b>	<b>(25,166,466)</b>	<b>(23,934,070)</b>	<b>1,232,396</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(5,286,704)</b>	<b>(5,354,015)</b>	<b>(38,825)</b>	<b>5,315,190</b>
<b>FUND BALANCES – BEGINNING OF YEAR</b>	<b>8,977,422</b>	<b>9,126,663</b>	<b>11,000,829</b>	<b>1,874,166</b>
<b>FUND BALANCES – END OF YEAR</b>	<b>\$ 3,690,718</b>	<b>\$ 3,772,648</b>	<b>\$ 10,962,004</b>	<b>\$ 7,189,356</b>

Notes to Budgetary Comparison Schedule

The preparation, adoption, and amendment of the budgets are governed by Florida Statutes. The fund is the legal level of control. Budgets are prepared and adopted on a basis that does not differ materially from generally accepted accounting principles (GAAP). Appropriations lapse at year-end.

**Sumter County, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – Road Impact Fees Fund**  
**For the Year Ended September 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
<b><u>REVENUES</u></b>				
Miscellaneous	\$ 17,275,000	\$ 17,275,000	\$ 2,572,350	\$(14,702,650)
<b><u>EXPENDITURES</u></b>				
Current:				
Transportation	<u>16,637,509</u>	<u>16,637,509</u>	<u>1,590,919</u>	<u>15,046,590</u>
EXCESS OF REVENUES OVER EXPENDITURES	637,491	637,491	981,431	343,940
<b><u>OTHER FINANCING USES</u></b>				
Transfers Out	<u>-</u>	<u>-</u>	<u>(117,812)</u>	<u>(117,812)</u>
NET CHANGE IN FUND BALANCES	637,491	637,491	863,619	226,128
FUND BALANCES – BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>247,187</u>	<u>247,187</u>
FUND BALANCES – END OF YEAR	<u>\$ 637,491</u>	<u>\$ 637,491</u>	<u>\$ 1,110,806</u>	<u>\$ 473,315</u>

**Notes to Budgetary Comparison Schedule**

The preparation, adoption, and amendment of the budgets are governed by Florida Statutes. The fund is the legal level of control. Budgets are prepared and adopted on a basis that does not differ materially from generally accepted accounting principles (GAAP). Appropriations lapse at year-end.

**Sumter County, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – Fire Districts**  
**For the Year Ended September 30, 2006**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Amounts</u></b>	<b><u>with Final</u></b>
				<b><u>Budget</u></b>
<b><u>REVENUES</u></b>				
Intergovernmental Revenue	\$ -	\$ 533,317	\$ 467,061	\$ (66,256)
Charges for Services	26,000	26,000	14,221	(11,779)
Miscellaneous	2,834,487	2,686,931	2,639,938	(46,993)
<b>TOTAL REVENUES</b>	<b>2,860,487</b>	<b>3,246,248</b>	<b>3,121,220</b>	<b>(125,028)</b>
<b><u>EXPENDITURES</u></b>				
Current:				
Public Safety	3,887,069	6,826,780	6,403,427	423,353
Reserve for Contingencies	10,000	-	-	-
Debt Service:				
Principal Retirement	46,473	325,144	318,070	7,074
Interest and Fiscal Charges	9,247	70,173	77,245	(7,072)
<b>TOTAL EXPENDITURES</b>	<b>3,952,789</b>	<b>7,222,097</b>	<b>6,798,742</b>	<b>423,355</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,092,302)</b>	<b>(3,975,849)</b>	<b>(3,677,522)</b>	<b>298,327</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers In	1,250,326	2,047,719	1,763,250	(284,469)
Transfers Out	(15,000)	(15,000)	-	15,000
Debt Issued	-	2,105,264	2,000,000	(105,264)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,235,326</b>	<b>4,137,983</b>	<b>3,763,250</b>	<b>(374,733)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>143,024</b>	<b>162,134</b>	<b>85,728</b>	<b>(76,406)</b>
<b>FUND BALANCES – BEGINNING OF YEAR</b>	<b>-</b>	<b>115,442</b>	<b>115,501</b>	<b>59</b>
<b>FUND BALANCES – END OF YEAR</b>	<b>\$ 143,024</b>	<b>\$ 277,576</b>	<b>\$ 201,229</b>	<b>\$ (76,347)</b>

**Notes to Budgetary Comparison Schedule**

The preparation, adoption, and amendment of the budgets are governed by Florida Statutes. The fund is the legal level of control. Budgets are prepared and adopted on a basis that does not differ materially from generally accepted accounting principles (GAAP). Appropriations lapse at year-end.

## **SUPPLEMENTAL INFORMATION**

**Sumter County, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – Sheriff**  
**For the Year Ended September 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
<u>REVENUES</u>				<u>Budget</u>
Intergovernmental	\$ -	\$ 37,181	\$ 37,181	\$ -
Miscellaneous	-	28,766	41,438	12,672
<b>TOTAL REVENUES</b>	<b>-</b>	<b>65,947</b>	<b>78,619</b>	<b>12,672</b>
<u>EXPENDITURES</u>				
Current:				
Public Safety	14,656,397	15,149,466	15,199,122	(49,656)
Court Costs	531,572	531,572	529,095	2,477
<b>TOTAL EXPENDITURES</b>	<b>15,187,969</b>	<b>15,681,038</b>	<b>15,728,217</b>	<b>(47,179)</b>
<b>EXCESS OF REVENUES UNDER</b>				
<b>EXPENDITURES</b>	<b>(15,187,969)</b>	<b>(15,615,091)</b>	<b>(15,649,598)</b>	<b>(34,507)</b>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	15,187,969	15,615,091	15,601,814	(13,277)
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>(47,784)</b>	<b>(47,784)</b>
<b>FUND BALANCES – BEGINNING OF YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES – END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (47,784)</b>	<b>\$ (47,784)</b>

Notes to Budgetary Comparison Schedule

The preparation, adoption, and amendment of the budgets are governed by Florida Statutes. The fund is the legal level of control. Budgets are prepared and adopted on a basis that does not differ materially from generally accepted accounting principles (GAAP). Appropriations lapse at year-end. The fund overexpended the budget \$47,179.



**Sumter County, Florida**  
**Combining Balance Sheet – Nonmajor Governmental Funds**  
**September 30, 2006**

**Special Revenue Funds**

	<u>Small Grants</u>	<u>Solid Waste</u>	<u>Law Enforce- ment Trust</u>	<u>Building Services</u>	<u>Section 8 Housing</u>	<u>911 Emergency Telephone System</u>
<b>ASSETS</b>						
Cash and Equivalents	\$ 120,836	\$ 116,400	\$ 17,755	\$ 694,791	\$ 43,159	\$ 22,645
Investment in State Pool	-	1,335,517	114,920	1,496,625	114,877	193,597
Due From Other Funds	-	701	-	-	176	-
Due From Other Governments	120	34,267	-	2,889	-	-
Receivables	558	227,252	-	-	-	38,239
Mortgage Receivables	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u><u>\$ 121,514</u></u>	<u><u>\$ 1,714,137</u></u>	<u><u>\$ 132,675</u></u>	<u><u>\$ 2,194,305</u></u>	<u><u>\$ 158,212</u></u>	<u><u>\$ 254,481</u></u>
<b>LIABILITIES</b>						
Accounts Payable and Accrued						
Liabilities	\$ 34,237	\$ 121,889	\$ -	\$ 381,803	\$ 3,518	\$ 6,708
Due to Other Funds	1,137	84,285	-	5,084	502	48,152
Deferred Revenue	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>35,374</u>	<u>206,174</u>	<u>-</u>	<u>386,887</u>	<u>4,020</u>	<u>54,860</u>
<b>FUND BALANCES</b>						
Reserved	80,471	44,208	-	-	-	-
Unreserved	5,669	1,463,755	132,675	1,807,418	154,192	199,621
<b>TOTAL FUND BALANCES</b>	<u>86,140</u>	<u>1,507,963</u>	<u>132,675</u>	<u>1,807,418</u>	<u>154,192</u>	<u>199,621</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 121,514</u></u>	<u><u>\$ 1,714,137</u></u>	<u><u>\$ 132,675</u></u>	<u><u>\$ 2,194,305</u></u>	<u><u>\$ 158,212</u></u>	<u><u>\$ 254,481</u></u>

**Sumter County, Florida**  
**Combining Balance Sheet – Nonmajor Governmental Funds**  
**September 30, 2006**

(continued)

	Special Revenue Funds						
	Anti- Drug Abuse	County Transit	Sumter Govern- ment Office Building	Boating Improve- ment	Animal Control	Inter Govern- mental Radio Communi- cations	Police Education
<b>ASSETS</b>							
Cash and Equivalents	\$ 15,031	\$ 68,659	\$ 36,401	\$ 3,315	\$ 2,373	\$ 32,245	\$ 29,394
Investment in State Pool	-	511,344	349,922	12,331	-	22,593	-
Due From Other Funds	-	160	-	1,666	-	12,788	2,270
Due From Other Governments	6,488	68,624	66,788	140,000	-	-	-
Receivables	-	5,511	337	-	-	-	-
Mortgage Receivables	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 21,519</u>	<u>\$ 654,298</u>	<u>\$ 453,448</u>	<u>\$ 157,312</u>	<u>\$ 2,373</u>	<u>\$ 67,626</u>	<u>\$ 31,664</u>
<b>LIABILITIES</b>							
Accounts Payable and Accrued Liabilities	\$ -	\$ 19,406	\$ 58,972	\$ -	\$ -	\$ 4,405	\$ -
Due to Other Funds	6,488	14,986	2,054	17,312	-	-	23,845
Deferred Revenue	14,039	-	-	140,000	-	-	-
<b>TOTAL LIABILITIES</b>	<u>20,527</u>	<u>34,392</u>	<u>61,026</u>	<u>157,312</u>	<u>-</u>	<u>4,405</u>	<u>23,845</u>
<b>FUND BALANCES</b>							
Reserved	-	-	-	-	-	-	-
Unreserved	992	619,906	392,422	-	2,373	63,221	7,819
<b>TOTAL FUND BALANCES</b>	<u>992</u>	<u>619,906</u>	<u>392,422</u>	<u>-</u>	<u>2,373</u>	<u>63,221</u>	<u>7,819</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 21,519</u>	<u>\$ 654,298</u>	<u>\$ 453,448</u>	<u>\$ 157,312</u>	<u>\$ 2,373</u>	<u>\$ 67,626</u>	<u>\$ 31,664</u>

**Sumter County, Florida**  
**Combining Balance Sheet – Nonmajor Governmental Funds**  
**September 30, 2006**

(continued)

	Special Revenue Funds						
	<u>Alcohol and Drug Abuse</u>	<u>Kitchen Facilities</u>	<u>Court Improvement</u>	<u>Magnolia Manor Water Facility</u>	<u>Choose Life Specialty Plates</u>	<u>Lake Panasoffkee Canal</u>	<u>Florida Organic Center</u>
<b><u>ASSETS</u></b>							
Cash and Equivalents	\$ 4,326	\$ 21,856	\$ 26,262	\$ 106	\$ 16,197	\$ 28,410	\$ 43
Investment in State Pool	243	8,421	351,073	-	-	752,542	-
Due From Other Funds	182	-	19,080	-	-	-	-
Due From Other Governments	-	-	-	-	-	433	340,723
Receivables	-	-	-	335	-	-	-
Mortgage Receivables	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 4,751</u>	<u>\$ 30,277</u>	<u>\$ 396,415</u>	<u>\$ 441</u>	<u>\$ 16,197</u>	<u>\$ 781,385</u>	<u>\$ 340,766</u>
<b><u>LIABILITIES</u></b>							
Accounts Payable and Accrued Liabilities	\$ -	\$ 276	\$ -	\$ 31	\$ -	\$ 680	\$ 304
Due to Other Funds	-	-	-	-	-	-	231,519
Deferred Revenue	-	-	-	-	-	-	108,943
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>276</u>	<u>-</u>	<u>31</u>	<u>-</u>	<u>680</u>	<u>340,766</u>
<b><u>FUND BALANCES</u></b>							
Reserved	-	-	-	-	-	-	-
Unreserved	4,751	30,001	396,415	410	16,197	780,705	-
<b>TOTAL FUND BALANCES</b>	<u>4,751</u>	<u>30,001</u>	<u>396,415</u>	<u>410</u>	<u>16,197</u>	<u>780,705</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 4,751</u>	<u>\$ 30,277</u>	<u>\$ 396,415</u>	<u>\$ 441</u>	<u>\$ 16,197</u>	<u>\$ 781,385</u>	<u>\$ 340,766</u>

**Sumter County, Florida**  
**Combining Balance Sheet – Nonmajor Governmental Funds**  
**September 30, 2006**

(continued)

	Special Revenue Funds					
	County Trans- portation Trust Fund	Second- ary Trust Fund	SHIP	Crime Preven- tion Fund	Court Local Require- ments Fund	Court Tech- nology Fund
<b>ASSETS</b>						
Cash and Equivalents	\$ 68,590	\$ 53,155	\$ 65,617	\$ 33,867	\$ 68,244	\$ 52,303
Investment in State Pool	4,129,425	1,496,893	1,308,887	-	-	384,580
Due From Other Funds	134,363	117,812	-	2,124	6,028	23,480
Due From Other Governments	836,030	95,658	-	-	-	-
Receivables	40	-	-	-	-	-
Mortgage Receivables	-	-	507,456	-	-	-
Inventory	31,157	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 5,199,605</b>	<b>\$ 1,763,518</b>	<b>\$ 1,881,960</b>	<b>\$ 35,991</b>	<b>\$ 74,272</b>	<b>\$ 460,363</b>
<b>LIABILITIES</b>						
Accounts Payable and Accrued						
Liabilities	\$ 1,169,313	\$ 216,813	\$ 68	\$ -	\$ 5,530	\$ 604
Due to Other Funds	69,235	-	93	-	-	-
Deferred Revenue	-	-	507,456	-	-	-
<b>TOTAL LIABILITIES</b>	<b>1,238,548</b>	<b>216,813</b>	<b>507,617</b>	<b>-</b>	<b>5,530</b>	<b>604</b>
<b>FUND BALANCES</b>						
Reserved	31,157	-	-	-	-	-
Unreserved	3,929,900	1,546,705	1,374,343	35,991	68,742	459,759
<b>TOTAL FUND BALANCES</b>	<b>3,961,057</b>	<b>1,546,705</b>	<b>1,374,343</b>	<b>35,991</b>	<b>68,742</b>	<b>459,759</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 5,199,605</b>	<b>\$ 1,763,518</b>	<b>\$ 1,881,960</b>	<b>\$ 35,991</b>	<b>\$ 74,272</b>	<b>\$ 460,363</b>

**Sumter County, Florida**  
**Combining Balance Sheet – Nonmajor Governmental Funds**  
**September 30, 2006**

(continued)

	Special Revenue Funds						
	Tourist Development Fund	Home Tenant Based Rental Assistance	Storm- water Manage- ment	Hurricane Housing Recovery	Wireless E911	Fire Impact Fee	Canteen Fund
<b>ASSETS</b>							
Cash and Equivalents	\$ 60,802	\$ 4,674	\$ 176,559	\$ 49,115	\$ 13,280	\$ 499,134	\$ 36,902
Investment in State Pool	230,056	-	-	200,000	25,131	1,271,941	-
Due From Other Funds	124,042	392	-	-	-	-	-
Due From Other Governments	12,749	-	-	-	10,384	-	-
Receivables	-	-	-	-	10,299	-	6,606
Mortgage Receivables	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	7,875
<b>TOTAL ASSETS</b>	<u>\$ 427,649</u>	<u>\$ 5,066</u>	<u>\$ 176,559</u>	<u>\$ 249,115</u>	<u>\$ 59,094</u>	<u>\$ 1,771,075</u>	<u>\$ 51,383</u>
<b>LIABILITIES</b>							
Accounts Payable and Accrued							
Liabilities	\$ 4,523	\$ 682	\$ -	\$ 588	\$ 41	\$ -	\$ 6,549
Due to Other Funds	-	176	-	-	-	-	10,389
Deferred Revenue	-	-	-	-	-	1,723,132	-
<b>TOTAL LIABILITIES</b>	<u>4,523</u>	<u>858</u>	<u>-</u>	<u>588</u>	<u>41</u>	<u>1,723,132</u>	<u>16,938</u>
<b>FUND BALANCES</b>							
Reserved	-	-	-	-	-	-	7,875
Unreserved	<u>423,126</u>	<u>4,208</u>	<u>176,559</u>	<u>248,527</u>	<u>59,053</u>	<u>47,943</u>	<u>26,570</u>
<b>TOTAL FUND BALANCES</b>	<u>423,126</u>	<u>4,208</u>	<u>176,559</u>	<u>248,527</u>	<u>59,053</u>	<u>47,943</u>	<u>34,445</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 427,649</u>	<u>\$ 5,066</u>	<u>\$ 176,559</u>	<u>\$ 249,115</u>	<u>\$ 59,094</u>	<u>\$ 1,771,075</u>	<u>\$ 51,383</u>

**Sumter County, Florida**  
**Combining Balance Sheet – Nonmajor Governmental Funds**  
**September 30, 2006**

(continued)

**Special Revenue Funds**

	<u>Records Modern- ization</u>	<u>Clerk of Circuit Court</u>	<u>Clerk Fine and Forfeiture</u>	<u>Clerk Court Tech- nology</u>	<u>Tax Collector</u>	<u>Property Appraiser</u>	<u>Supervisor of Elections</u>
<b>ASSETS</b>							
Cash and Equivalents	\$ 306,586	\$ 245,557	\$ 345,647	\$ 514,482	\$ 92,470	\$ 35,719	\$ 23,761
Investment in State Pool	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-	-
Due From Other Governments	-	-	11,804	-	-	-	-
Receivables	-	-	-	-	-	-	-
Mortgage Receivables	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 306,586</u>	<u>\$ 245,557</u>	<u>\$ 357,451</u>	<u>\$ 514,482</u>	<u>\$ 92,470</u>	<u>\$ 35,719</u>	<u>\$ 23,761</u>
<b>LIABILITIES</b>							
Accounts Payable and Accrued Liabilities	\$ -	\$ 63,189	\$ 219,761	\$ -	\$ 21,252	\$ 1,934	\$ 1,262
Due to Other Funds	-	182,368	137,690	-	71,218	33,785	3,596
Deferred Revenue	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>245,557</u>	<u>357,451</u>	<u>-</u>	<u>92,470</u>	<u>35,719</u>	<u>4,858</u>
<b>FUND BALANCES</b>							
Reserved	-	-	-	-	-	-	18,903
Unreserved	<u>306,586</u>	<u>-</u>	<u>-</u>	<u>514,482</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL FUND BALANCES</b>	<u>306,586</u>	<u>-</u>	<u>-</u>	<u>514,482</u>	<u>-</u>	<u>-</u>	<u>18,903</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 306,586</u>	<u>\$ 245,557</u>	<u>\$ 357,451</u>	<u>\$ 514,482</u>	<u>\$ 92,470</u>	<u>\$ 35,719</u>	<u>\$ 23,761</u>

**Sumter County, Florida**  
**Combining Balance Sheet – Nonmajor Governmental Funds**  
**September 30, 2006**

(concluded)

	Debt Service Fund	Capital Projects Funds			
	98 & 03 & 06 Sinking Fund	Agriculture Center Fund	Capital Projects Fund	Magnolia Manor Water	Totals
<b>ASSETS</b>					
Cash and Equivalents	\$ 4,818	\$ 144,656	\$ 116,183	\$ -	\$ 4,312,325
Investment in State Pool	663,210	151,762	2,053,885	-	17,179,775
Due From Other Funds	-	-	157,500	-	602,764
Due From Other Governments	294,024	-	-	-	1,920,981
Receivables	-	-	-	-	289,177
Mortgage Receivables	-	-	-	-	507,456
Inventory	-	-	-	-	39,032
<b>TOTAL ASSETS</b>	<b>\$ 962,052</b>	<b>\$ 296,418</b>	<b>\$ 2,327,568</b>	<b>\$ -</b>	<b>\$ 24,851,510</b>
<b>LIABILITIES</b>					
Accounts Payable and Accrued Liabilities	\$ -	\$ 6,855	\$ 122,355	\$ -	2,473,548
Due to Other Funds	300,708	124,042	-	-	1,368,664
Deferred Revenue	-	-	-	-	2,493,570
<b>TOTAL LIABILITIES</b>	<b>300,708</b>	<b>130,897</b>	<b>122,355</b>	<b>-</b>	<b>6,335,782</b>
<b>FUND BALANCES</b>					
Reserved	661,344	-	363,611	-	1,207,569
Unreserved	-	165,521	1,841,602	-	17,308,159
<b>TOTAL FUND BALANCES</b>	<b>661,344</b>	<b>165,521</b>	<b>2,205,213</b>	<b>-</b>	<b>18,515,728</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 962,052</b>	<b>\$ 296,418</b>	<b>\$ 2,327,568</b>	<b>\$ -</b>	<b>\$ 24,851,510</b>

**Sumter County, Florida**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances – Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2006**

	<u>Special Revenue Funds</u>					
	<u>Small Grants</u>	<u>Solid Waste</u>	<u>Law Enforce- ment Trust</u>	<u>Building Services</u>	<u>Section 8 Housing</u>	<u>911 Emergency Telephone System</u>
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	4,293,395	-	-
Intergovernmental	91,009	9,750	-	-	546,373	-
Charges for Services	-	2,590,293	-	15,659	-	224,732
Fines and Forfeitures	-	-	14,146	-	-	-
Miscellaneous	9,942	110,851	5,407	108,566	10,212	8,954
<b>TOTAL REVENUES</b>	<b>100,951</b>	<b>2,710,894</b>	<b>19,553</b>	<b>4,417,620</b>	<b>556,585</b>	<b>233,686</b>
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-	-	-
Public Safety	24,681	-	-	2,377,349	-	183,361
Physical Environment	4,212	2,822,662	-	-	-	-
Transportation	9,920	-	-	-	-	-
Economic Environment	-	-	-	-	500,770	-
Human Services	310,432	-	-	-	-	-
Culture and Recreation	1,050	-	-	-	-	-
Court Costs	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Retirement	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>350,295</b>	<b>2,822,662</b>	<b>-</b>	<b>2,377,349</b>	<b>500,770</b>	<b>183,361</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(249,344)</b>	<b>(111,768)</b>	<b>19,553</b>	<b>2,040,271</b>	<b>55,815</b>	<b>50,325</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	289,181	543,500	-	-	-	-
Transfers Out	(53,655)	-	-	(232,853)	-	(65,261)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>235,526</b>	<b>543,500</b>	<b>-</b>	<b>(232,853)</b>	<b>-</b>	<b>(65,261)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(13,818)</b>	<b>431,732</b>	<b>19,553</b>	<b>1,807,418</b>	<b>55,815</b>	<b>(14,936)</b>
<b>FUND BALANCES – October 1, 2005</b>	<b>99,958</b>	<b>1,076,231</b>	<b>113,122</b>	<b>-</b>	<b>98,377</b>	<b>214,557</b>
<b>FUND BALANCES – September 30, 2006</b>	<b>\$ 86,140</b>	<b>\$ 1,507,963</b>	<b>\$ 132,675</b>	<b>\$ 1,807,418</b>	<b>\$ 154,192</b>	<b>\$ 199,621</b>



**Sumter County, Florida**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances – Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2006**

(continued)

	Special Revenue Funds						
	Anti- Drug Abuse	County Transit	Sumter Govern- ment Office Building	Boating Improve- ment	Animal Control	Inter Govern- mental Radio Communi- cations	Police Education
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-
Intergovernmental	71,241	622,386	-	-	-	-	-
Charges for Services	-	379,731	-	19,838	505	173,237	29,695
Fines and Forfeitures	-	-	-	-	-	-	-
Miscellaneous	67	34,223	756,420	776	89	3,097	664
TOTAL REVENUES	71,308	1,036,340	756,420	20,614	594	176,334	30,359
EXPENDITURES							
Current:							
General Government	-	-	364,006	-	-	-	-
Public Safety	-	-	-	-	-	123,489	23,845
Physical Environment	-	-	-	-	-	-	-
Transportation	-	1,390,850	-	-	-	-	-
Economic Environment	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	151,065	-	-	-
Court Costs	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service:							
Principal Retirement	-	-	-	-	-	58,937	-
Interest and Fiscal Charges	-	-	-	-	-	4,903	-
TOTAL EXPENDITURES	-	1,390,850	364,006	151,065	-	187,329	23,845
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	71,308	(354,510)	392,414	(130,451)	594	(10,995)	6,514
OTHER FINANCING SOURCES (USES)							
Transfers In	-	462,020	-	116,755	-	-	-
Transfers Out	(71,241)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(71,241)	462,020	-	116,755	-	-	-
NET CHANGE IN FUND BALANCES	67	107,510	392,414	(13,696)	594	(10,995)	6,514
FUND BALANCES – October 1, 2005	925	512,396	8	13,696	1,779	74,216	1,305
FUND BALANCES – September 30, 2006	\$ 992	\$ 619,906	\$ 392,422	\$ -	\$ 2,373	\$ 63,221	\$ 7,819

**Sumter County, Florida**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances – Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2006**

(continued)

	Special Revenue Funds						
	<u>Alcohol and Drug Abuse</u>	<u>Kitchen Facilities</u>	<u>Court Improve- ment</u>	<u>Magnolia Manor Water Facility</u>	<u>Choose Life Specialty Plates</u>	<u>Lake Panasoffkee Canal</u>	<u>Florida Organic Center</u>
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	3,786	6,604	174,745
Charges for Services	4,114	-	256,134	688	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-
Miscellaneous	182	25,150	11,955	27	528	1,158	-
<b>TOTAL REVENUES</b>	<b>4,296</b>	<b>25,150</b>	<b>268,089</b>	<b>715</b>	<b>4,314</b>	<b>7,762</b>	<b>174,745</b>
<b>EXPENDITURES</b>							
Current:							
General Government	-	17,376	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Physical Environment	-	-	-	7,824	-	6,509	256,911
Transportation	-	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-	-
Human Services	2,499	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Court Costs	-	-	2,015	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service:							
Principal Retirement	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>2,499</b>	<b>17,376</b>	<b>2,015</b>	<b>7,824</b>	<b>-</b>	<b>6,509</b>	<b>256,911</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,797</b>	<b>7,774</b>	<b>266,074</b>	<b>(7,109)</b>	<b>4,314</b>	<b>1,253</b>	<b>(82,166)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	-	-	-	500	-	752,542	110,478
Transfers Out	-	-	-	-	-	-	(28,312)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>752,542</b>	<b>82,166</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,797</b>	<b>7,774</b>	<b>266,074</b>	<b>(6,609)</b>	<b>4,314</b>	<b>753,795</b>	<b>-</b>
<b>FUND BALANCES – October 1, 2005</b>	<b>2,954</b>	<b>22,227</b>	<b>130,341</b>	<b>7,019</b>	<b>11,883</b>	<b>26,910</b>	<b>-</b>
<b>FUND BALANCES – September 30, 2006</b>	<b>\$ 4,751</b>	<b>\$ 30,001</b>	<b>\$ 396,415</b>	<b>\$ 410</b>	<b>\$ 16,197</b>	<b>\$ 780,705</b>	<b>\$ -</b>

**Sumter County, Florida**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances – Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2006**

(continued)

**Special Revenue Funds**

	<b>County Transportation Trust Fund</b>	<b>Secondary Trust Fund</b>	<b>SHIP</b>	<b>Crime Prevention Fund</b>	<b>Court Local Require- ments Fund</b>	<b>Court Tech- nology Fund</b>
<b>REVENUES</b>						
Taxes	\$ 4,587,362	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	1,244,325	1,150,416	815,535	-	-	-
Charges for Services	45,364	-	-	28,108	83,584	305,144
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	154,069	50,029	54,263	1,471	2,335	15,550
<b>TOTAL REVENUES</b>	<b>6,031,120</b>	<b>1,200,445</b>	<b>869,798</b>	<b>29,579</b>	<b>85,919</b>	<b>320,694</b>
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	18,931	-	-
Physical Environment	-	-	-	-	-	-
Transportation	5,282,034	514,557	-	-	-	-
Economic Environment	-	-	854,570	-	-	-
Human Services	-	-	-	-	20,896	-
Culture and Recreation	-	-	-	-	-	-
Court Costs	-	-	-	-	8,547	111,817
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Retirement	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>5,282,034</b>	<b>514,557</b>	<b>854,570</b>	<b>18,931</b>	<b>29,443</b>	<b>111,817</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>749,086</b>	<b>685,888</b>	<b>15,228</b>	<b>10,648</b>	<b>56,476</b>	<b>208,877</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	117,812	-	-	-	-
Transfers Out	(85,263)	-	-	-	(13,609)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(85,263)</b>	<b>117,812</b>	<b>-</b>	<b>-</b>	<b>(13,609)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>663,823</b>	<b>803,700</b>	<b>15,228</b>	<b>10,648</b>	<b>42,867</b>	<b>208,877</b>
<b>FUND BALANCES – October 1, 2005</b>	<b>3,297,234</b>	<b>743,005</b>	<b>1,359,115</b>	<b>25,343</b>	<b>25,875</b>	<b>250,882</b>
<b>FUND BALANCES – September 30, 2006</b>	<b>\$ 3,961,057</b>	<b>\$ 1,546,705</b>	<b>\$ 1,374,343</b>	<b>\$ 35,991</b>	<b>\$ 68,742</b>	<b>\$ 459,759</b>

**Sumter County, Florida**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances – Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2006**

(continued)

	<b>Special Revenue Funds</b>						
	<b>Tourist Develop- ment Fund</b>	<b>Home Tenant Based Rental Assistance Fund</b>	<b>Storm- Water Manage- ment</b>	<b>Hurricane Housing Recovery</b>	<b>Wireless E911</b>	<b>Fire Impact Fee</b>	<b>Canteen Fund</b>
<b>REVENUES</b>							
Taxes	\$ 299,408	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-
Intergovernmental	-	81,071	-	579,639	-	-	-
Charges for Services	-	-	-	-	117,300	-	151,161
Fines and Forfeitures	-	-	-	-	-	-	-
Miscellaneous	12,478	6	1,559	4,990	142	547,554	107,666
<b>TOTAL REVENUES</b>	<b>311,886</b>	<b>81,077</b>	<b>1,559</b>	<b>584,629</b>	<b>117,442</b>	<b>547,554</b>	<b>258,827</b>
<b>EXPENDITURES</b>							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	40,889	499,611	238,452
Physical Environment	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Economic Environment	-	76,928	-	336,102	-	-	-
Human Services	-	-	-	-	-	-	-
Culture and Recreation	52,978	-	-	-	-	-	-
Court Costs	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service:							
Principal Retirement	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>52,978</b>	<b>76,928</b>	<b>-</b>	<b>336,102</b>	<b>40,889</b>	<b>499,611</b>	<b>238,452</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>258,908</b>	<b>4,149</b>	<b>1,559</b>	<b>248,527</b>	<b>76,553</b>	<b>47,943</b>	<b>20,375</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	-	-	175,000	-	-	-	-
Transfers Out	-	-	-	-	(17,500)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>175,000</b>	<b>-</b>	<b>(17,500)</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>258,908</b>	<b>4,149</b>	<b>176,559</b>	<b>248,527</b>	<b>59,053</b>	<b>47,943</b>	<b>20,375</b>
<b>FUND BALANCES – October 1, 2005</b>	<b>164,218</b>	<b>59</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,070</b>
<b>FUND BALANCES – September 30, 2006</b>	<b>\$ 423,126</b>	<b>\$ 4,208</b>	<b>\$ 176,559</b>	<b>\$ 248,527</b>	<b>\$ 59,053</b>	<b>\$ 47,943</b>	<b>\$ 34,445</b>

**Sumter County, Florida**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances – Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2006**

(continued)

	<b>Special Revenue Funds</b>					
	<b>Records Modern- ization</b>	<b>Clerk of Circuit Court</b>	<b>Clerk Fine and Forfeiture</b>	<b>Clerk Court Technology</b>	<b>Tax Collector</b>	<b>Property Appraiser</b>
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	64,750	-	-	-
Charges for Services	95,550	-	897,344	289,887	-	49,817
Fines and Forfeitures	-	-	663,640	-	-	-
Miscellaneous	5,658	-	286	7,120	-	95
<b>TOTAL REVENUES</b>	<b>101,208</b>	<b>-</b>	<b>1,626,020</b>	<b>297,007</b>	<b>-</b>	<b>49,912</b>
<b>EXPENDITURES</b>						
Current:						
General Government	90,518	1,465,350	-	-	1,508,085	1,223,289
Public Safety	-	-	-	-	-	-
Physical Environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Court Costs	-	55,612	1,697,908	43,869	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Retirement	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>90,518</b>	<b>1,520,962</b>	<b>1,697,908</b>	<b>43,869</b>	<b>1,508,085</b>	<b>1,223,289</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>10,690</b>	<b>(1,520,962)</b>	<b>(71,888)</b>	<b>253,138</b>	<b>(1,508,085)</b>	<b>(1,173,377)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	1,555,821	209,579	-	1,514,555	1,207,162
Transfers Out	-	(34,859)	(137,691)	-	(6,470)	(33,785)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>1,520,962</b>	<b>71,888</b>	<b>-</b>	<b>1,508,085</b>	<b>1,173,377</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>10,690</b>	<b>-</b>	<b>-</b>	<b>253,138</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES – October 1, 2005</b>	<b>295,896</b>	<b>-</b>	<b>-</b>	<b>261,344</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES – September 30, 2006</b>	<b>\$ 306,586</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 514,482</b>	<b>\$ -</b>	<b>\$ -</b>

**Sumter County, Florida**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances – Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2006**

(concluded)

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds			
	Supervisor of Elections	98 & 03 & 06 Sinking Fund	Agriculture Center Fund	Capital Projects Fund	Magnolia Manor Water	Totals
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,886,770
Licenses and Permits	-	-	-	-	-	4,293,395
Intergovernmental	23,602	5,299,480	-	-	-	10,784,712
Charges for Services	-	-	-	-	-	5,757,885
Fines and Forfeitures	-	-	-	-	-	677,786
Miscellaneous	-	19,743	13,173	65,582	2,247	2,154,284
<b>TOTAL REVENUES</b>	<b>23,602</b>	<b>5,319,223</b>	<b>13,173</b>	<b>65,582</b>	<b>2,247</b>	<b>28,554,832</b>
<b>EXPENDITURES</b>						
Current:						
General Government	1,117,425	-	-	-	-	5,786,049
Public Safety	-	-	-	-	-	3,530,608
Physical Environment	-	-	-	-	-	3,098,118
Transportation	-	-	-	-	-	7,197,361
Economic Environment	-	-	-	-	-	1,768,370
Human Services	-	-	-	-	-	333,827
Culture and Recreation	-	-	-	-	-	205,093
Court Costs	-	-	-	-	-	1,919,768
Capital Outlay	-	-	676,775	1,284,064	48,884	2,009,723
Debt Service:						
Principal Retirement	9,686	430,000	-	-	-	498,623
Interest and Fiscal Charges	1,019	512,398	-	-	-	518,320
<b>TOTAL EXPENDITURES</b>	<b>1,128,130</b>	<b>942,398</b>	<b>676,775</b>	<b>1,284,064</b>	<b>48,884</b>	<b>26,865,860</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,104,528)</b>	<b>4,376,825</b>	<b>(663,602)</b>	<b>(1,218,482)</b>	<b>(46,637)</b>	<b>1,688,972</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	1,127,027	-	610,000	2,411,552	32,500	11,235,984
Transfers Out	(3,596)	(4,029,344)	-	-	-	(4,813,439)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,123,431</b>	<b>(4,029,344)</b>	<b>610,000</b>	<b>2,411,552</b>	<b>32,500</b>	<b>6,422,545</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>18,903</b>	<b>347,481</b>	<b>(53,602)</b>	<b>1,193,070</b>	<b>(14,137)</b>	<b>8,111,517</b>
<b>FUND BALANCES – October 1, 2005</b>	<b>-</b>	<b>313,863</b>	<b>219,123</b>	<b>1,012,143</b>	<b>14,137</b>	<b>10,404,211</b>
<b>FUND BALANCES – September 30, 2006</b>	<b>\$ 18,903</b>	<b>\$ 661,344</b>	<b>\$ 165,521</b>	<b>\$ 2,205,213</b>	<b>\$ -</b>	<b>\$ 18,515,728</b>

**Sumter County, Florida**  
**Combining Statement of Fiduciary Net Assets**  
**Agency Funds**  
**September 30, 2006**

	<b><u>Clerk of Circuit Court</u></b>	<b><u>Sheriff</u></b>	<b><u>Tax Collector</u></b>	<b><u>Totals</u></b>
<b><u>ASSETS</u></b>				
Cash and Equivalents	\$ 1,101,734	\$102,747	\$ 1,071,318	\$ 2,275,799
Due From Other Governments	-	-	92	92
Receivables	-	-	3,224	3,224
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	1,101,734	102,747	1,074,634	2,279,115
<b><u>LIABILITIES</u></b>				
Assets Held For Others	1,101,734	102,747	1,074,634	2,279,115
	<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Sumter County, Florida**  
**Schedule of Expenditures of Federal Awards and State Financial Assistance**  
**For the Year Ended September 30, 2006**

<b>FEDERAL AWARDS</b>	<b>FEDERAL CFDA NUMBER</b>	<b>CONTRACT NUMBER</b>	<b>EXPEND- ITURES</b>	<b>PROGRAM TOTAL</b>
<b><u>DEPARTMENT OF HOMELAND SECURITY</u></b>				
Assistance to Firefighters Grant (2005 Funding)	97.044	EMW-2005-FG-15040	\$ 53,478	
Assistance to Firefighters Grant (2004 Funding)	97.044	EMW-2004-FG-21344	331,110	384,588
Assistance to Firefighters Grant (2004 Funding)	83.554	EMW-2004-FP-03049	25,017	
Passed Through Department of Community Affairs:				
Emergency Management Performance Grant	83.552	06-BG-04-05-70-01-114	9,094	
State Homeland Security Grant Program	97.067	06-DS-3W-05-70-01-317	29,930	
State Domestic Preparedness Equipment Support Program	97.004	05-DS-2N-05-70-01-345	21,002	
State Domestic Preparedness Equipment Support Program	97.004	05-DS-2N-05-70-01-078	4,818	25,820
<b><u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>				
Section 8 Housing Assistance	14.871	FL117	500,771	
Passed Through Florida Housing Finance Corporation:				
FHFC Disaster Relief Home Assistance Program	14.239	HA04-733	96,515	
HOME Investment Partnerships Program	14.239	2005-113-TBRA	76,927	173,442
<b><u>DEPARTMENT OF JUSTICE</u></b>				
Passed Through the Attorney General:				
VOCA	16.575	VS104	38,404	
Passed Through State Department of Law Enforcement:				
Byrne Formula Grant - Drug Task Force	16.579	06-CJ-5A-05-70-01-275	64,752	
Byrne Justice Assistance Grant - Criminal History Record Improvement Live Scan	16.738	2006-JAG-C-SUMT-1-M8-090	38,431	
<b><u>DEPARTMENT OF TRANSPORTATION</u></b>				
Passed Through State Department of Transportation:				
Operating Assistance Grant – Nonurbanized Area Formula Grant	20.509	AM727	118,805	
Section 5310	20.513	N/A	64,269	
Highway Planning and Construction	20.205	417463-1-38-01	11,840	
<b><u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
Passed Through Department of Revenue:				
Child Support Enforcement Title IV – D	93.563	CC360	64,750	
Passed Through Department of State:				
VOTE Program	93.617	N/A	6,590	
<b><u>DEPARTMENT OF AGRICULTURE</u></b>				
Passed Through Department of Agriculture and Consumer Services:				
Cooperative Forestry Assistance - Volunteer Fire Assistance	10.664	2005	11,495	
Cooperative Forestry Assistance - Volunteer Fire Assistance	10.664	2006	25,240	36,735
<b><u>ELECTION ASSISTANCE COMMISSION</u></b>				
Passed Through Department of State, Division of Elections:				
Help America Vote	90.401	N/A	11,801	
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b><u>\$ 1,605,039</u></b>	

(Continued)



**Sumter County, Florida**  
**Schedule of Expenditures of Federal Awards and State Financial Assistance**  
**For the Year Ended September 30, 2006**

STATE FINANCIAL ASSISTANCE	STATE CSFA NUMBER	CONTRACT/ GRANT NUMBER	EXPEND- ITURES	PROJECT TOTAL
<u>DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>				
Florida Recreation Development Assistance Program	37.017	F6268	36,634	
Florida Recreation Development Assistance Program	37.017	F6267	4,638	41,272
Small County Consolidated Grants	37.012	SC628	191,176	
Florida Organics Recycling Center of Excellence	37.018	SW204	285,223	
<u>DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES</u>				
Mosquito Control/Waste Tire Abatement	42.003	N/A	38,276	
<u>DEPARTMENT OF STATE, SECRETARY OF STATE</u>				
State Aid to Libraries	45.030	05-ST-69	100,411	
State Aid to Libraries	45.030	06-ST-76	32,651	133,062
Community Libraries in Caring	45.042	05-CLIC-08	2,337	
Community Libraries in Caring	45.042	06-CLIC-11	10,000	12,337
<u>DEPARTMENT OF COMMUNITY AFFAIRS</u>				
Emergency Management Programs	52.008	06-BG-04-05-70-01-114	102,958	
<u>FLORIDA HOUSING FINANCE CORPORATION</u>				
State Housing Initiatives Partnership Program	52.901	N/A	854,570	
Hurricane Housing Recovery Program	52.902	N/A	336,102	
<u>DEPARTMENT OF TRANSPORTATION</u>				
Trip/Equipment Grant	55.001	248537-1-84-01	179,694	
Rural Capital Assistance Grant	55.001	410656-1-84-01	45,587	225,281
Joint Participation Agreement – Expansion of Service	55.012	418385-1-84-01	214,031	
Small County Outreach Program	55.009	416907-1-58-01	299,342	
Small County Outreach Program	55.009	410842-1-58-01	67,755	
Small County Outreach Program	55.009	418874-1-58-01	164,914	532,011
<u>DEPARTMENT OF HEALTH</u>				
Emergency Medical Services County Grant	64.005	C-5060	24,681	
<u>DEPARTMENT OF MANAGEMENT SERVICES</u>				
Wireless 911 Emergency Telephone System	72.001	N/A	58,389	
<u>FLORIDA FISH AND WILDLIFE CONSERVATION COMMISSION</u>				
Florida Boating Improvement Program	77.006	FWC04134	90,500	
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 3,139,869</u>	

**Sumter County, Florida**  
**Notes to Schedule of Expenditures of Federal Awards and**  
**State Financial Assistance**  
**For the Year Ended September 30, 2006**

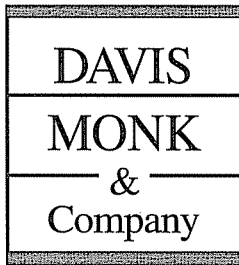
**NOTE 1 – BASIS OF PRESENTATION**

In the accompanying schedule, expenditures represent allowable costs determined in accordance with generally accepted accounting principles, or allowable billings.

**NOTE 2 – SUBRECIPIENTS**

The County did not provide federal or state awards to subrecipients.

**ADDITIONAL ELEMENTS REQUIRED  
BY THE RULES OF THE  
AUDITOR GENERAL**



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## Management Letter

The Honorable County Commissioners  
Sumter County, Florida

We have audited the financial statements of Sumter County, Florida (the "County") as of and for the fiscal year ended September 30, 2006, and have issued our report thereon dated January 17, 2007. We have also issued reports on internal control and on compliance and other matters which should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and U. S. Office of Management and Budget Circular A-133. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

### Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding audit. In that regard, all prior audit findings were resolved in the current year.

### Financial Condition

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.503, Florida Statutes, "Determination of Financial Emergency". In connection with our audit, we determined that the County has not met one or more of the conditions described in Section 218.503(1), Florida Statutes.

Also, as required by the Rules of the Auditor General, we applied financial condition assessment procedures, as of the end of the fiscal year, pursuant to Rule 10.556(8). It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by management. The application of such procedures did not reveal evidence of "deteriorating financial condition" as that term is defined in Rule 10.554.

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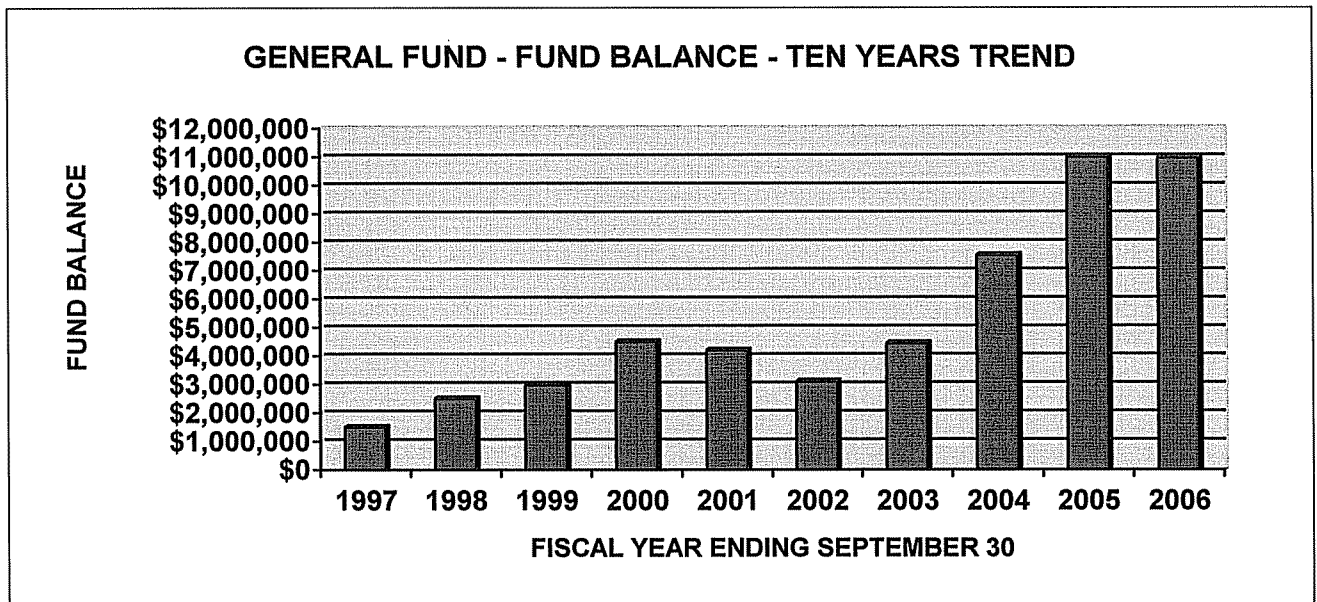
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The following information is presented, for the County's convenience, to summarize financial position trends for certain funds:

	Fund Balance September 30, <u>2004</u>	Fund Balance September 30, <u>2005</u>	Fund Balance September 30, <u>2006</u>
General Fund	\$ 7,541,245	\$ 11,000,829	\$ 10,962,004
Special Revenue Funds:			
County Transportation Trust	1,985,541	3,297,234	3,961,057
Secondary Trust	55,129	743,005	1,546,705
Solid Waste	476,078	1,076,231	1,507,963
Fire Districts	(28,094)	115,501	201,229
911 Emergency Telephone System	186,121	214,557	199,621
County Transit	286,307	512,396	619,906
Government Office Building	101,088	8	392,422
Self-Insurance Fund	1,053,485	1,915,117	2,668,981
Road Impact Fees	-	247,187	1,110,806
2006 Bond Construction	-	-	29,864,670

Additionally, trend information relative to the General Fund is hereafter graphically displayed.



Annual Financial Report

As required by the Rules of the Auditor General, we determined that the annual financial report for the County for the fiscal year ended September 30, 2006, filed with the Department of Financial Services pursuant to Section 218.32, Florida Statutes, is in substantial agreement with the audit report for the fiscal year ended September 30, 2006.

Investment of Public Funds

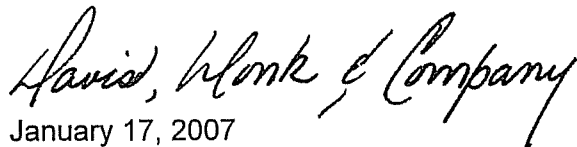
As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal noncompliance with the provisions of Section 218.415, Florida Statutes.

Other Matters

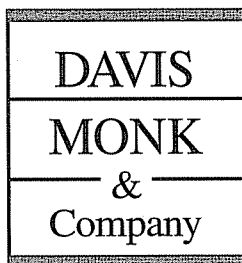
As required by the Rules of the Auditor General, we performed separate audits of each of the County's constitutional officers. The comments included in those separately-issued reports should be considered in conjunction with this management letter.

This management letter is intended solely for the information and use of the County and its management, and appropriate audit agencies and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



January 17, 2007  
Gainesville, Florida



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## **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters**

The Honorable County Commissioners  
Sumter County, Florida

We have audited the financial statements of the governmental activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Sumter County, Florida (the "County") as of and for the year ended September 30, 2006, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 17, 2007. Our report on the financial statements included a paragraph explaining that the County restated beginning net assets of its governmental activities. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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The Honorable County Commissioners  
Sumter County, Florida

Page Two

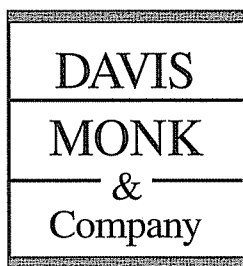
We noted certain matters, which we have reported in separately-issued reports for the County's constitutional officers.

This report is intended solely for the information and use of the County and its management, and appropriate oversight agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Harris, Hunk, & Company*

January 17, 2007  
Gainesville, Florida





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## **Report on Compliance and on Internal Control Over Compliance Applicable to Each Major Federal Awards Program and State Financial Assistance Project**

The Honorable County Commissioners  
Sumter County, Florida

### Compliance

We have audited the compliance of Sumter County, Florida (the "County") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the requirements described in the State Projects Compliance Supplement that are applicable to each of its major federal programs and state projects for the year ended September 30, 2006. The County's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs and state projects is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and state projects for the year ended September 30, 2006.

### Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs and state projects. In planning and performing our audit, we considered

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the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program or state project being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the County and its management, and appropriate oversight agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Harris, Hunk & Company*  
January 17, 2007  
Gainesville, Florida

**Sumter County, Florida**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended September 30, 2006**

**PART I - SUMMARY OF AUDITOR'S RESULTS**

- (i) The independent auditors' report on the financial statements expressed an unqualified opinion.
- (ii) The audit did not disclose reportable conditions in internal control over financial reporting.
- (iii) The audit did not disclose any noncompliance considered material to the financial statements.
- (iv) The audit disclosed no reportable conditions in internal control over the major federal award programs or state projects.
- (v) The report on compliance for the major federal programs and state projects was unqualified.
- (vi) The audit disclosed no findings relative to the major federal programs or state projects.
- (vii) The County's major programs/projects were:

<u>Federal Programs</u>	<u>CFDA Number</u>
Section 8 Housing Assistance	14.871
Assistance to Firefighters Grant	97.044
 <u>State Projects</u>	 <u>CSFA Number</u>
State Housing Initiatives Partnership	52.901
Hurricane Housing Recovery Program	52.902
Small County Outreach Program	55.009
- (viii) A threshold of \$300,000 was used to distinguish between Type A and Type B programs for federal programs, and \$300,000 was used for state projects.
- (ix) The County qualified as a low-risk auditee as that term is defined in OMB Circular A-133.

**PART II - FINANCIAL STATEMENT FINDINGS**

There were no findings relative to the financial statements.

**PART III – FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS**

There were no findings relative to federal programs

**PART IV – FINDINGS AND QUESTIONED COSTS – STATE PROJECTS**

There were no findings relative to state projects.

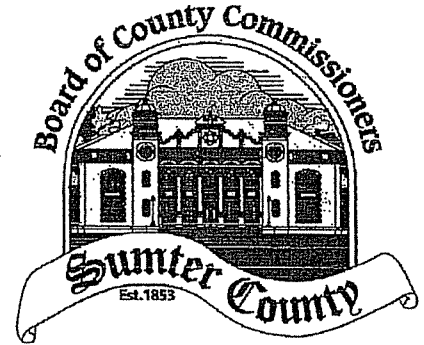
**Sumter County, Florida  
Summary Schedule of Prior Audit Findings  
Relative to Financial Assistance  
For the Year Ended September 30, 2006**

There were no prior audit findings relative to financial assistance.

# **Board of County Commissioners**

## **Sumter County, Florida**

209 North Florida Street, Suite 3 • Bushnell, FL 33513-6146 • Phone (352) 793-0200 • FAX: (352) 793-0207  
SunCom: 665-0200 • Website <http://sumtercountyfl.gov>



March 20, 2007

Mr. William O. Monroe  
Auditor General  
Claude Pepper Building, Room 401  
111 West Madison St.  
Tallahassee, FL 32399-1450

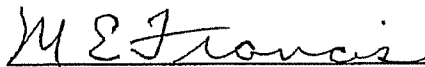
Re: Audit for fiscal year ending September 30, 2006

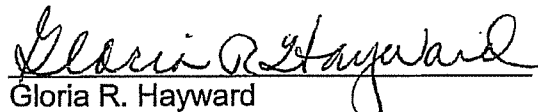
Dear Mr. Monroe:

Sumter County acknowledges receipt of the audit report for the Sumter County Board of Commissioners for fiscal year ending September 30, 2006.

There were no audit findings that require corrective action.

Very truly yours,

  
Michael E. Francis  
Chairman

  
Gloria R. Hayward  
Clerk of Circuit Court

Richard "Dick" Hoffman, Dist 1  
Vice Chairman  
(352) 753-1592 or 793-0200  
209 North Florida Street  
Bushnell, FL 33513

Doug Gilpin, Dist 2  
(352) 793-0200  
209 North Florida Street  
Bushnell, FL 33513

Michael E. Francis, Dist 3  
Chairman  
(352) 753-1592 or 793-0200  
209 North Florida Street  
Bushnell, FL 33513

Garry Breeden, Dist 4  
(352) 793-0200  
209 North Florida Street  
Bushnell, FL 33513

Randy Mask, Dist 5  
Office: (352) 793-0200  
Home: (352) 793-3930  
209 North Florida Street  
Bushnell, FL 33513

Sandra Howell,  
County Administrator  
(352) 793-0200  
209 North Florida Street, Suite 3  
Bushnell, FL 33513-6146

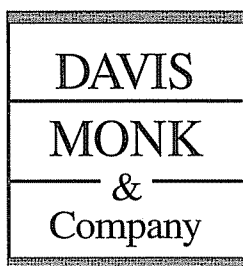
Gloria R. Hayward, Clerk & Auditor  
(352) 793-0215  
209 North Florida Street  
Bushnell, FL 33513

Randall N. Thornton  
County Attorney  
(352) 793-4040 P.O. Box 58  
Lake Panasofkee, FL 33538

**Sumter County Clerk of the Circuit Court  
Audit Report  
September 30, 2006**

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## Independent Auditors' Report

The Honorable Gloria R. Hayward  
Clerk of the Circuit Court  
Sumter County, Florida

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Sumter County Clerk of the Circuit Court (the "Office") as of and for the year ended September 30, 2006, which collectively comprise the Office's special purpose financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Office. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1 to the financial statements, the accompanying financial statements have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida. They include only the financial activity of the Office, which is an integral part of Sumter County, the primary government for financial reporting purposes.

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Office at September 30, 2006, and the respective changes in financial position, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 22, 2006 on our consideration of the Office's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

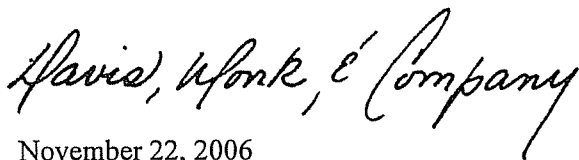
The Honorable Gloria R. Hayward  
Clerk of the Circuit Court  
Sumter County, Florida

Page Two

The budgetary comparison schedules listed in the table of contents as "required supplementary information" are not a required part of the special purpose financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the Office's special purpose financial statements. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the special purpose financial statements of the Office. Such information has been subjected to the auditing procedures applied in the audit of the special purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the special purpose financial statements taken as a whole.

This report is intended solely for the information and use of the Office, its management, and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.



November 22, 2006  
Gainesville, Florida



**Balance Sheet – Governmental Funds**  
**September 30, 2006**  
**Sumter County Clerk of the Circuit Court**

	GENERAL FUND	FINE & FORFEITURE FUND	RECORDS MODERN- IZATION FUND	COURT TECHNOLOGY FUND	TOTAL GOVERN- MENTAL FUNDS
<b><u>ASSETS</u></b>					
Cash and Equivalents	\$ 98,063	\$ 316,642	\$ 305,118	\$ 510,106	\$1,229,929
Due From Other Funds	-	29,005	1,468	4,376	34,849
Due From Other Governments	-	11,804	-	-	11,804
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 98,063</u>	<u>\$ 357,451</u>	<u>\$ 306,586</u>	<u>\$ 514,482</u>	<u>\$1,276,582</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
<b><u>LIABILITIES</u></b>					
Accounts Payable and Accrued Liabilities	\$ 63,189	\$ 219,761	\$ -	\$ -	\$ 282,950
Due to Other County Agencies	34,874	137,690	-	-	172,564
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	98,063	357,451	-	-	455,514
<b><u>FUND BALANCES</u></b>					
Unreserved	-	-	306,586	514,482	821,068
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 98,063</u>	<u>\$ 357,451</u>	<u>\$ 306,586</u>	<u>\$ 514,482</u>	<u>\$1,276,582</u>

The accompanying "Notes to Financial Statements"  
form an integral part of this statement.

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2006**  
**Sumter County Clerk of the Circuit Court**

	GENERAL FUND	FINE & FORFEITURE FUND	RECORDS MODERN- IZATION FUND	COURT TECHNOLOGY FUND	TOTAL GOVERN- MENTAL FUNDS
<b><u>REVENUES</u></b>					
Intergovernmental	\$ -	\$ 64,750	\$ -	\$ -	\$ 64,750
Charges for Services	-	1,388,111	95,550	289,887	1,773,548
Fines and Forfeitures	-	1,026,591	-	-	1,026,591
Miscellaneous Revenue	-	442	5,658	7,120	13,220
<b>TOTAL REVENUES</b>	<b>-</b>	<b>2,479,894</b>	<b>101,208</b>	<b>297,007</b>	<b>2,878,109</b>
<b><u>EXPENDITURES</u></b>					
Current:					
General Government Services	1,465,350	-	90,518	-	1,555,868
Court Related	55,612	1,697,908	-	43,869	1,797,389
<b>TOTAL EXPENDITURES</b>	<b>1,520,962</b>	<b>1,697,908</b>	<b>90,518</b>	<b>43,869</b>	<b>3,353,257</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,520,962)</b>	<b>781,986</b>	<b>10,690</b>	<b>253,138</b>	<b>(475,148)</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Appropriation from Board of County Commissioners	1,555,821	209,579	-	-	1,765,400
Reversion to Board of County Commissioners	(34,859)	(137,691)	-	-	(172,550)
Reversion to the Clerks of Court Operations Corporation	-	(853,874)	-	-	(853,874)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,520,962</b>	<b>(781,986)</b>	<b>-</b>	<b>-</b>	<b>738,976</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>10,690</b>	<b>253,138</b>	<b>263,828</b>
<b>FUND BALANCES – October 1, 2005</b>	<b>-</b>	<b>-</b>	<b>295,896</b>	<b>261,344</b>	<b>557,240</b>
<b>FUND BALANCES – September 30, 2006</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 306,586</b>	<b>\$ 514,482</b>	<b>\$ 821,068</b>

The accompanying "Notes to Financial Statements"  
form an integral part of this statement.

**Statement of Fiduciary Net Assets**  
**September 30, 2006**  
**Sumter County Clerk of the Circuit Court**

	Agency <u>Funds</u>
<u>ASSETS</u>	
Cash and Equivalents	<u>\$1,284,077</u>
<u>LIABILITIES</u>	
Assets Held for Others	1,101,734
Due to Other Funds	34,849
Due to Other County Agencies	<u>147,494</u>
TOTAL LIABILITIES	<u>1,284,077</u>
NET ASSETS	<u><u>\$ -</u></u>

The accompanying "Notes to Financial Statements"  
form an integral part of this statement.

**Notes to Financial Statements**  
**September 30, 2006**  
**Sumter County Clerk of the Circuit Court**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Sumter County Clerk of the Circuit Court (the "Office") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

**Reporting Entity**

The Clerk of the Circuit Court is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

The Office is an integral part of Sumter County, the primary government for financial reporting purposes.

**Basis of Presentation**

The Office's financial statements are special purpose financial statements that have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These special purpose financial statements are the fund financial statements specified in GASB Statement 34. In conformity with the Rules, the Office has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements.

**Fund Accounting**

Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a single column. The Office had no nonmajor funds.

The Office reports the following major governmental funds:

*General Fund* - The General Fund is the primary operating fund. It is used to account for all financial resources, except those required to be accounted for in another fund.

*Fines and Forfeitures Fund* - This fund is used to account for fines, court costs, filing fees and service charges mandated by Florida Statutes to fund court related expenditures.

*Records Modernization Fund* - This fund is used to account for fees collected and associated expenditures related to equipment upgrades and modernization of all official records of the County.

**Notes to Financial Statements**  
**September 30, 2006**  
**Sumter County Clerk of the Circuit Court**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Court Technology Fund* – This fund is used to account for additional service charges collected and associated expenditures used exclusively to fund the court-related technology needs of the Office.

The Office also reports the following fiduciary funds:

*Agency Funds* - Agency Funds are used to account for resources held by the Office in a custodial capacity.

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

Agency fund assets and liabilities are accounted for on the accrual basis of accounting.

Capital Assets and Long-Term Liabilities

Capital assets used by the Office are recorded and accounted for by the Sumter County Board of County Commissioners.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the financial statements of the County.

**Notes to Financial Statements**  
**September 30, 2006**  
**Sumter County Clerk of the Circuit Court**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Cash and Cash Equivalents**

All cash and cash equivalents are placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Every qualified public depository is required by this law to deposit with the State Treasurer eligible collateral equal to, or in excess of, an amount to be determined by the State Treasurer. The State Treasurer is required to ensure that all funds are entirely insured or collateralized throughout the fiscal year.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

**NOTE 2 - INTERFUND BALANCES**

The following interfund balances arose during the normal course of operations of the Office.

	<u>Due From</u> <u>Other Funds</u>	<u>Due To</u> <u>Other Funds</u>
Fine & Forfeiture	\$ 29,005	\$ -
Records Modernization Fund	1,468	-
Court Technology	4,376	-
Agency Funds	<u>-</u>	<u>34,849</u>
Total	<u>\$ 34,849</u>	<u>\$ 34,849</u>

**NOTE 3 - CHANGES IN LONG-TERM LIABILITIES**

A summary of changes in long-term liabilities follows:

	BALANCE OCTOBER 1, <u>2005</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	BALANCE SEPTEMBER 30, <u>2006</u>	DUE WITHIN <u>ONE YEAR</u>
Compensated Absences	<u>\$116,000</u>	<u>\$165,096</u>	<u>\$122,096</u>	<u>\$159,000</u>	<u>\$ 75,000</u>

**Notes to Financial Statements**  
**September 30, 2006**  
**Sumter County Clerk of the Circuit Court**

**NOTE 4 - PENSION PLAN**

*Plan Description.* The Office contributes to the Florida Retirement System (the "System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Administration, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, PO Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-6491.

*Funding Policy.* The System is employee noncontributory. The Office is required to contribute at an actuarially determined rate. The rates at September 30, 2006 were as follows: Regular Employees 9.85%; Special Risk Employees 20.92%; Senior Management 13.12%; Elected Officials 16.53%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2006, 2005 and 2004 were \$178,000, \$149,000 and \$128,000, respectively, equal to the required contributions for each year.

**NOTE 5 – RISK MANAGMENT**

For health insurance, the Office participates in the risk management program established by the Board of County Commissioners to cover claims against the Board and Constitutional Officers. The risk management program is accounted for in the Board's financial statements as an Internal Service Fund, in accordance with requirements of GASB Statement 10.

For risks of loss related to workers' compensation, general liability and errors or omissions, the Office participates with the Board of County Commissioners to purchase commercial insurance. For the past three years, there have been no insurance settlements in excess of insurance coverages.

## **REQUIRED SUPPLEMENTARY INFORMATION**



**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – General Fund**  
**For the Year Ended September 30, 2006**  
**Sumter County Clerk of the Circuit Court**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
<u>REVENUES</u>	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Current:				
General Government Services	1,498,069	1,498,069	1,465,350	32,719
Court Related	57,753	57,753	55,612	2,141
TOTAL EXPENDITURES	1,555,822	1,555,822	1,520,962	34,860
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,555,822)	(1,555,822)	(1,520,962)	34,860
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriation from Board of County Commissioners	1,555,822	1,555,822	1,555,821	(1)
Reversion to Board of County Commissioners	-	-	(34,859)	(34,859)
TOTAL OTHER FINANCING SOURCES (USES)	1,555,822	1,555,822	1,520,962	(34,860)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - October 1, 2005	-	-	-	-
FUND BALANCES - September 30, 2006	\$ -	\$ -	\$ -	\$ -

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – Fine & Forfeiture Fund**  
**For the Year Ended September 30, 2006**  
**Sumter County Clerk of the Circuit Court**

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 33,113	\$ 64,750	\$ 31,637
Charges For Services	1,339,100	1,339,100	1,388,111	49,011
Fines and Forfeitures	990,400	990,100	1,026,591	36,491
Miscellaneous	-	300	442	142
<b>TOTAL REVENUES</b>	<b>2,329,500</b>	<b>2,362,613</b>	<b>2,479,894</b>	<b>117,281</b>
<b>EXPENDITURES</b>				
Current:				
Court Related	1,526,270	1,835,819	1,697,908	137,911
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>803,230</b>	<b>526,794</b>	<b>781,986</b>	<b>255,192</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriation from Board of County Commissioners	-	241,436	209,579	(31,857)
Reversion to Board of County Commissioners	-	-	(137,691)	(13,691)
Reversion to the Clerks of Court Operations Corporation	(1,003,230)	(768,230)	(853,874)	(85,644)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,003,230)</b>	<b>(526,794)</b>	<b>(781,986)</b>	<b>(255,192)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(200,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES - October 1, 2005</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES – September 30, 2006</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – Records Modernization Fund**  
**For the Year Ended September 30, 2006**  
**Sumter County Clerk of the Circuit Court**

	BUDGETED AMOUNTS			VARIANCE WITH FINAL
	ORIGINAL	FINAL	ACTUAL	BUDGET
<b><u>REVENUES</u></b>				
Charges For Services	\$ 88,000	\$ 88,000	\$ 95,550	\$ 7,550
Miscellaneous Revenues	<u>3,500</u>	<u>3,500</u>	<u>5,658</u>	<u>2,158</u>
TOTAL REVENUES	91,500	91,500	101,208	9,708
<b><u>EXPENDITURES</u></b>				
Current:				
General Government	<u>192,396</u>	<u>192,396</u>	<u>90,518</u>	<u>101,878</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(100,896)	(100,896)	10,690	111,586
FUND BALANCES - October 1, 2005	<u>124,633</u>	<u>124,633</u>	<u>295,896</u>	<u>171,263</u>
FUND BALANCES – September 30, 2006	<u>\$ 23,737</u>	<u>\$ 23,737</u>	<u>\$ 306,586</u>	<u>\$ 282,849</u>

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – Court Technology Fund**  
**For the Year Ended September 30, 2006**  
**Sumter County Clerk of the Circuit Court**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>WITH FINAL</u>
				<u>BUDGET</u>
<u>REVENUES</u>				
Charges For Services	\$ 260,000	\$ 260,000	\$ 289,887	\$ 29,887
Miscellaneous Revenues	<u>3,500</u>	<u>3,500</u>	<u>7,120</u>	<u>3,620</u>
TOTAL REVENUES	263,500	263,500	297,007	33,507
<u>EXPENDITURES</u>				
Current:				
Court Related	<u>274,844</u>	<u>274,844</u>	<u>43,869</u>	<u>230,975</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	(11,344)	(11,344)	253,138	264,482
FUND BALANCES - October 1, 2005	<u>113,320</u>	<u>113,320</u>	<u>261,344</u>	<u>148,024</u>
FUND BALANCES – September 30, 2006	<u>\$ 101,976</u>	<u>\$ 101,976</u>	<u>\$ 514,482</u>	<u>\$ 412,506</u>

Notes to Schedule:

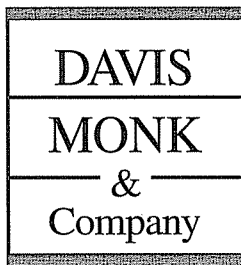
The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

## **SUPPLEMENTAL INFORMATION**

**Combining Statement of Fiduciary Net Assets**  
**Agency Funds**  
**September 30, 2006**  
**Sumter County Clerk of the Circuit Court**

	TRUST FUND	COURT REGISTRY FUND	TOTAL
<u>ASSETS</u>			
Cash and Equivalents	\$ 828,237	\$ 455,840	\$1,284,077
<u>LIABILITIES</u>			
Assets Held for Others	645,894	455,840	1,101,734
Due to Other Funds	34,849	-	34,849
Due to Other County Agencies	147,494	-	147,494
TOTAL LIABILITIES	828,237	455,840	1,284,077
NET ASSETS	\$ -	\$ -	\$ -

**ADDITIONAL ELEMENTS REQUIRED BY THE  
RULES OF THE AUDITOR GENERAL**



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*Members:*

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Certified Public Accountants

American Institute of  
Certified Public Accountants

Horwath International

## Management Letter

The Honorable Gloria R. Hayward  
Clerk of the Circuit Court  
Sumter County, Florida

We have audited the financial statements of the Sumter County Clerk of the Circuit Court, as of and for the fiscal year ended September 30, 2006, and have issued our report thereon dated November 22, 2006. We have also issued our report on internal control over financial reporting and on compliance and other matters. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

### Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding audit. There were no significant findings or recommendations in the preceding audit report.

### Investment of Public Funds

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal any noncompliance with the provisions of Section 218.415, Florida Statutes.

### Clerks of Court Operations Corporation

The Rules of the Auditor General require that statements be included in the management letter as to whether the Office complied with the budget certified by the Clerks of Court Operations Corporation (the "Corporation") and with the performance standards developed and certified pursuant to Section 28.35, Florida Statutes. Our audit of the financial statements disclosed no reportable instances of noncompliance with the budget certified by the Corporation pursuant to Section 28.35, Florida Statutes, and no reportable instances of noncompliance with the performance standards developed and certified pursuant to Section 28.35, Florida Statutes.



The Honorable Gloria R. Hayward  
Clerk of the Circuit Court

Page Two

Other Matters

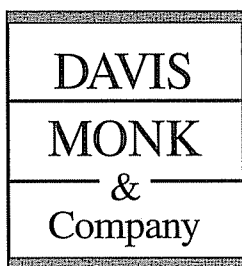
Our audit did not reveal any other matters that we are required to include in this management letter.

This management letter is intended solely for the information and use of the Sumter County Clerk of the Circuit Court and management, and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

*Lavis, Work, & Company*

November 22, 2006  
Gainesville, Florida



Certified Public Accountants  
& Business Consultants

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## **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters**

The Honorable Gloria R. Hayward  
Clerk of the Circuit Court  
Sumter County, Florida

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Sumter County Clerk of the Circuit Court (the "Office") as of and for the year ended September 30, 2006, which collectively comprise the Office's special purpose financial statements and have issued our report thereon dated November 22, 2006. Our report on the financial statements included a paragraph explaining that the Office is an integral part of Sumter County, the primary government for financial reporting purposes. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Office's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

*Members:*

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American Institute of  
Certified Public Accountants

Horwath International

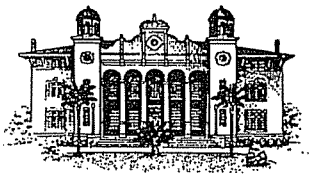
The Honorable Gloria R. Hayward  
Clerk of the Circuit Court

Page Two

This report is intended solely for the information and use of the Sumter County Clerk of the Circuit Court and management, and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

*Havis, Hunk, & Company*

November 22, 2006  
Gainesville, Florida



**GLORIA R. HAYWARD**  
**CLERK OF THE CIRCUIT COURT**  
**SUMTER COUNTY**  
209 North Florida Street  
Bushnell, Florida 33513

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Finance (352) 793-0217  
Courts (352) 793-0211  
Fax (352) 793-0218  
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February 1, 2007

Auditor General  
Post Office Box 1735  
Tallahassee, Florida 32302

RE: Annual Audit Report for the fiscal year 05/06

Dear Sir:

This is to acknowledge receipt of the audit report by Davis, Monk & Company for the office of Clerk of the Circuit Court, Sumter County, Florida, for the fiscal year ending September 30, 2006.

I am pleased to note that there are no audit findings to be reported. With the implementation of Article V Revision 7 there have been a lot of financial changes and challenges so I am pleased to get this great report.

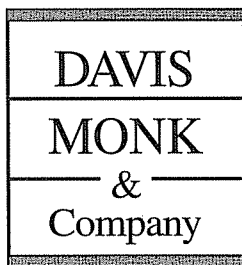
Respectfully yours,

GLORIA R. HAYWARD  
Clerk of the Circuit Court  
Sumter County, Florida

**Sumter County Sheriff  
Audit Report  
September 30, 2006**

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ELECTED OFFICIAL'S RESPONSE TO AUDITORS' COMMENTS	--



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## Independent Auditors' Report

The Honorable William O. Farmer, Jr.  
Sheriff  
Sumter County, Florida

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the Sumter County Sheriff (the "Office") as of and for the year ended September 30, 2006, which collectively comprise the Office's special purpose financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Office. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1 to the financial statements, the accompanying financial statements have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida. They include only the financial activity of the Office, which is an integral part of Sumter County, the primary government for financial reporting purposes.

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Office at September 30, 2006, and the respective changes in financial position, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 8, 2007, on our consideration of the Office's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Honorable William O. Farmer, Jr.  
Sheriff  
Sumter County, Florida

Page Two

The budgetary comparison schedule listed in the table of contents as "required supplementary information" is not a required part of the special purpose financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the Office's special purpose financial statements. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the special purpose financial statements of the Office. Such information has been subjected to the auditing procedures applied in the audit of the special purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the special purpose financial statements taken as a whole.

This report is intended solely for the information and use of the Office, its management, and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

*Davis, Blunk & Company*

February 8, 2007  
Gainesville, Florida

**Balance Sheet – Governmental Funds**  
**September 30, 2006**  
**Sumter County Sheriff**

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b><u>ASSETS</u></b>			
Cash and Equivalents	\$ 483,297	\$ 36,902	\$ 520,199
Investments	1,901	-	1,901
Due From Other County Agencies	258,665	-	258,665
Accounts Receivable	9,377	6,606	15,983
Due From Other Funds	10,389	-	10,389
Inventory	-	7,875	7,875
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL ASSETS	<u>\$ 763,629</u>	<u>\$ 51,383</u>	<u>\$ 815,012</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b><u>LIABILITIES</u></b>			
Accounts Payable and Accrued Liabilities	\$ 580,659	\$ 6,548	\$ 587,207
Due to Other Funds	50,000	10,389	60,389
Due to Other County Agencies	180,754	-	180,754
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL LIABILITIES	<u>811,413</u>	<u>16,937</u>	<u>828,350</u>
<b><u>FUND BALANCES</u></b>			
Reserved for Inventory	-	7,875	7,875
Unreserved - Undesignated	(47,784)	26,571	(21,213)
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL FUND BALANCES	<u>(47,784)</u>	<u>34,446</u>	<u>(13,338)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 763,629</u>	<u>\$ 51,383</u>	<u>\$ 815,012</u>

The accompanying “Notes to Financial Statements”  
form an integral part of this statement.



**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2006**  
**Sumter County Sheriff**

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b><u>REVENUES</u></b>			
Intergovernmental	\$ 37,181	\$ -	\$ 37,181
Charges for Services	-	151,161	151,161
Miscellaneous	41,438	107,667	149,105
	<u>78,619</u>	<u>258,828</u>	<u>337,447</u>
<b>TOTAL REVENUES</b>			
<b><u>EXPENDITURES</u></b>			
Current:			
Public Safety	15,199,122	238,452	15,437,574
Court Costs	529,095	-	529,095
	<u>15,728,217</u>	<u>238,452</u>	<u>15,966,669</u>
<b>TOTAL EXPENDITURES</b>			
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(15,649,598)	20,376	(15,629,222)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Appropriation from Board of County Commissioners	15,601,814	-	15,601,814
	<u>15,601,814</u>	<u>-</u>	<u>15,601,814</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>			
<b>NET CHANGE IN FUND BALANCES</b>	(47,784)	20,376	(27,408)
<b>FUND BALANCES – October 1, 2005</b>	<u>-</u>	<u>14,070</u>	<u>14,070</u>
<b>FUND BALANCES – September 30, 2006</b>	<u><u>\$ (47,784)</u></u>	<u><u>\$ 34,446</u></u>	<u><u>\$ (13,338)</u></u>

The accompanying “Notes to Financial Statements”  
form an integral part of this statement.

**Statement of Fiduciary Net Assets**  
**September 30, 2006**  
**Sumter County Sheriff**

	AGENCY FUNDS
<u>ASSETS</u>	
Cash and Equivalents	\$ 54,898
Due from Other Funds	<u>50,000</u>
TOTAL ASSETS	<u>104,898</u>
<u>LIABILITIES</u>	
Assets Held for Others	102,747
Due to County Agencies	<u>2,151</u>
TOTAL LIABILITIES	<u>104,898</u>
NET ASSETS	<u><u>\$ -</u></u>

The accompanying "Notes to Financial Statements"  
form an integral part of this statement.

**Notes to Financial Statements**  
**September 30, 2006**  
**Sumter County Sheriff**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Sumter County Sheriff (the “Office”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The Sheriff is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

The Office is an integral part of Sumter County, the primary government for financial reporting purposes.

Basis of Presentation

The Office’s financial statements are special purpose financial statements that have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These special purpose financial statements are the fund financial statements specified in GASB Statement 34. In conformity with the Rules, the Office has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management’s discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s countywide financial statements.

Fund Accounting

Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed as a separate column. All nonmajor funds are aggregated and displayed in a single column.

The Office reports the following major governmental fund:

*General Fund* - The General Fund is the general operating fund. It is used to account for all financial resources, except those required to be accounted for in another fund.

The Office reports the following nonmajor governmental fund:

*Canteen Fund* – This fund is used to account for revenues and expenditures related to the commissary operations of the detention facility.

The Office also reports the following fiduciary funds:

*Agency Funds* – Agency Funds are used to account for assets held by the Office in a custodial capacity.

**Notes to Financial Statements**  
**September 30, 2006**  
**Sumter County Sheriff**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

Agency fund assets and liabilities are accounted for on the accrual basis of accounting.

Capital Assets and Long-Term Liabilities

Because of the current financial resources measurement focus, the accompanying fund financial statements do not report capital assets or long-term liabilities. Such amounts are instead reported in the government-wide financial statements of the County.

The Office defines capital assets as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Capital assets are valued at historical cost or estimated historical cost. Donated fixed assets are valued at their estimated fair value on the date donated. Depreciation has been provided using the straight-line method over the following estimated useful lives:

Equipment	5-10 years
Vehicles	4 years

Cash and Equivalents

All cash and equivalents are placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Every qualified public depository is required by law to deposit with the State Treasurer eligible collateral equal to, or in excess of, an amount to be determined by the State Treasurer. The State Treasurer is required to ensure that all funds are entirely insured or collateralized throughout the fiscal year.

**Notes to Financial Statements**  
**September 30, 2006**  
**Sumter County Sheriff**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Investments**

The Office invests excess public funds pursuant to the guidelines established in Section 218.415, Florida Statutes. Accordingly, the Office is authorized to invest excess public funds in the following instruments: The Local Government Trust Fund; Securities and Exchange Commission registered money market funds with the highest credit quality rating; savings accounts and certificates of deposit in qualified public depositories; and direct obligations of the U.S. Treasury.

During the year, excess public funds were invested in the State Board of Administration's Local Government Trust Fund (the "SBA"). The SBA is not a registrant with the Securities and Exchange Commission; however, the SBA has adopted operating procedures consistent with the requirements for a 2a7-like fund and the fair value of the position in the pool is equal to the value of the pool shares. The SBA is not rated by a nationally recognized rating agency as of September 30, 2006. Such investment in the state pool is stated at cost and cannot be categorized because it is not evidenced by securities that exist in physical or book entry form.

**Inventory**

Inventory is valued at cost (first-in, first-out), which approximates market. Inventory consists of various items held for resale to inmates of the jail and is accounted for using the "consumption" method. An offsetting "reserve" is reported to indicate that inventories do not represent "available spendable resources".

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

**NOTE 2 – CHANGES IN CAPITAL ASSETS**

A summary of changes in capital assets follows:

	BALANCE OCTOBER 1, <u>2005</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	BALANCE SEPTEMBER 30, <u>2006</u>
Tangible Personal Property	\$ 3,411,392	\$ 618,721	\$ 82,945	\$ 3,947,168
Less Accumulated Depreciation	<u>1,882,051</u>	<u>530,159</u>	<u>82,945</u>	<u>2,329,265</u>
Total Capital Assets, Net	<u>\$ 1,529,341</u>	<u>\$ 88,562</u>	<u>\$ -</u>	<u>\$ 1,617,903</u>

Depreciation expense of \$530,159 applies to the *public safety* function.

**Notes to Financial Statements**  
**September 30, 2006**  
**Sumter County Sheriff**

**NOTE 3 – CHANGES IN LONG-TERM DEBT**

A summary of changes in long-term debt follows:

	BALANCE OCTOBER 1, <u>2005</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	BALANCE SEPTEMBER 30, <u>2006</u>	DUE WITHIN ONE YEAR
Compensated Absences	<u>\$ 996,000</u>	<u>\$ 855,000</u>	<u>\$ 567,000</u>	<u>\$ 1,284,000</u>	<u>\$ 463,000</u>

**NOTE 4 – PENSION PLAN**

*Plan Description.* The Office contributes to the Florida Retirement System (the "System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Administration, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, PO Box 9000, Tallahassee, Florida, 32315-9000, or by calling (850) 488-6491.

*Funding Policy.* The System is employee noncontributory. The Office is required to contribute at an actuarially determined rate. The rates at September 30, 2006 were as follows: Regular Employees 9.85%; Special Risk Employees 20.92%; Senior Management 13.12%; Elected Officials 16.53%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2006, 2005 and 2004 were approximately \$1,360,000, \$1,200,000 and \$1,031,000, respectively, equal to the required contributions for each year.

**NOTE 5 – RISK MANAGEMENT**

For health insurance, the Office participates in the risk management program established by the Board of County Commissioners to cover claims against the Board and Constitutional Officers. The risk management program is accounted for in the Board's financial statements as an Internal Service Fund, in accordance with requirements of GASB Statement 10.

For risks of loss related to workers' compensation, general liability and errors or omissions, the Office participates with the Board of County Commissioners to purchase commercial insurance. For the past three years, there have been no insurance settlements in excess of insurance coverages.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – General Fund**  
**For the Year Ended September 30, 2006**  
**Sumter County Sheriff**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b><u>REVENUES</u></b>				
Intergovernmental	\$ -	\$ 37,181	\$ 37,181	\$ -
Miscellaneous	-	28,766	41,438	12,672
<b>TOTAL REVENUES</b>	<b>-</b>	<b>65,947</b>	<b>78,619</b>	<b>12,672</b>
<b><u>EXPENDITURES</u></b>				
Public Safety	14,656,397	15,149,466	15,199,122	(49,656)
Court Costs	531,572	531,572	529,095	2,477
<b>TOTAL EXPENDITURES</b>	<b>15,187,969</b>	<b>15,681,038</b>	<b>15,728,217</b>	<b>(47,179)</b>
<b>EXCESS OF REVENUES UNDER EXPENDITURES</b>	<b>(15,187,969)</b>	<b>(15,615,091)</b>	<b>(15,649,598)</b>	<b>(34,507)</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Appropriation from Board of County Commissioners	15,187,969	15,615,091	15,601,814	(13,277)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>15,187,969</b>	<b>15,615,091</b>	<b>15,601,814</b>	<b>(13,277)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>(47,784)</b>	<b>47,784</b>
<b>FUND BALANCES - October 1, 2005</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES - September 30, 2006</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (47,784)</b>	<b>\$ 47,784</b>

**Notes to Schedule:**

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control. The fund overexpended its budget \$47,179.

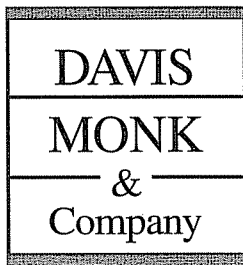


## **SUPPLEMENTAL INFORMATION**

**Combining Statement of Fiduciary Net Assets**  
**Agency Funds**  
**September 30, 2006**  
**Sumter County Sheriff**

	CIVIL FUND	TRUST FUND	INMATE FUND	TOTAL AGENCY FUNDS
<u>ASSETS</u>				
Cash and Equivalents	\$ 27	\$ 35,635	\$ 19,236	\$ 54,898
Due from Other Funds	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
TOTAL ASSETS	<u>27</u>	<u>85,635</u>	<u>19,236</u>	<u>104,898</u>
<u>LIABILITIES</u>				
Assets Held for Others	27	85,635	17,085	102,747
Due to County Agencies	<u>-</u>	<u>-</u>	<u>2,151</u>	<u>2,151</u>
TOTAL LIABILITIES	<u>27</u>	<u>85,635</u>	<u>19,236</u>	<u>104,898</u>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ADDITIONAL ELEMENTS REQUIRED BY THE  
RULES OF THE AUDITOR GENERAL**



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## Management Letter

The Honorable William O. Farmer Jr.  
Sheriff  
Sumter County, Florida

We have audited the financial statements of the Sumter County Sheriff (the "Office"), as of and for the fiscal year ended September 30, 2006, and have issued our report thereon dated February 8, 2007. We have also issued our report on internal control over financial reporting and on compliance and other matters. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

### Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address significant findings or recommendations made in the preceding audit. Items included in the preceding audit report that are still applicable are included in the accompanying Schedule of Findings as items 06-1 through 06-5.

### Investment of Public Funds

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal any noncompliance with the provisions of Section 218.415, Florida Statutes.

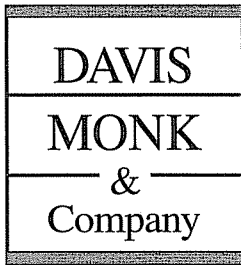
### Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

This management letter is intended solely for the information and use of the Sumter County Sheriff and management, and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

February 8, 2007  
Gainesville, Florida



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## **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters**

The Honorable William O. Farmer Jr.  
Sheriff  
Sumter County, Florida

We have audited the financial statements of the major fund and the aggregate remaining fund information of the Sumter County Sheriff (the "Office") as of and for the year ended September 30, 2006, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated February 8, 2007. Our report on the financial statements included a paragraph explaining that the Office is an integral part of Sumter County, the primary government for financing reporting purposes. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Office's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Office's ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying Schedule of Findings as items 06-1 through 06-5.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 06-1, 06-2, 06-4, and 06-5 to be material weaknesses.

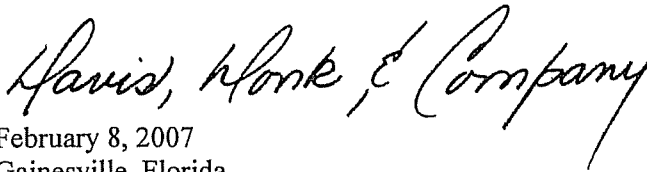
The Honorable William O. Farmer Jr.  
Sheriff  
Sumter County, Florida

Page Two

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Sumter County Sheriff and management, and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Davis, Hunk, & Company". The signature is written in dark ink and is positioned above the date and location text.

February 8, 2007  
Gainesville, Florida

**Schedule of Findings**  
**For the Year Ended September 30, 2006**  
**Sumter County Sheriff**

- 06-1 *Condition* – Certain employees who record transactions in the accounting records also have access to cash and perform bank reconciliations. As a result of this lack of separation of duties, the possibility exists that intentional or unintentional errors could occur without being promptly detected.

*Recommendation* – To the extent possible, given the availability of personnel, steps should be taken to separate employee duties so that no one individual has access to both physical assets and the related accounting records, or to all phases of a transaction.

- 06-2 *Condition* – We noted once again that internal controls were not sufficient to ensure accountability of resources of the Inmate Trust Fund. Although we continue to note improvements in this area, we again observed that inmate balances were not reconciled to the general ledger on an ongoing basis and were not in agreement at year end.

*Recommendation* – The accounting functions relative to the Inmate Fund should be closely monitored on an ongoing basis. Internal control policies and procedures should be established to address the condition described above.

- 06-3 *Condition* – Deposits to the Civil and Trust funds were not made in a timely manner. We noted some instances where deposits were made once a month.

*Recommendation* – The Office should make deposits more frequently; at least every 5 working days.

- 06-4 *Condition* – The Office accounts for certain public safety and miscellaneous community-related activities in Agency Funds. Some of these activities, however, have transactions which appear to be operational, rather than custodial, in nature. Generally accepted accounting principles require that Agency Funds should only be used to account for resources held in a custodial capacity.

*Recommendation* – Management should review all of the activities that are accounted for in Agency Funds and determine whether or not the Office's accounting is in conformity with generally accepted accounting principles.

- 06-5 *Condition* – The Office's Finance Department continues to have high turnover in personnel and appears to be understaffed. There were various errors in the general ledger that went undetected during the year. Expenditures in the General Fund exceeded the total budgeted amount and, at year end, the fund's liabilities exceeded its assets, resulting in a deficit fund balance of \$47,784.

*Recommendation* – The Office should take steps to adequately staff its Finance Department and cross-train available personnel. These steps may allow key finance personnel to periodically review the general ledger and correct any errors noted, and review the Office's budgetary position during the year. In regard to the deficit fund balance, expenditures for the 2007 fiscal year should be closely monitored and reduced by \$47,784 in order to eliminate the deficit.

# Sheriff



PHONE: (352) 793-0222

FAX: (352) 793-0220

**WILLIAM O. "BILL" FARMER, JR. - SUMTER COUNTY**

MEMBER, FLORIDA SHERIFF'S ASSOCIATION

P.O. BOX 188

BUSHNELL, FLORIDA 33513-0188

March 29, 2007

Office of the Auditor General  
State of Florida  
Post Office Box 1735  
Tallahassee, Florida 32302-1735

Re: Audit for the Fiscal Year ended September 30, 2006

Dear Sir:

The above audit has been completed with five conditions noted for correction. We will attempt to correct those conditions as follows:

06-01

A change was made in February 2007 that corrects this weakness. Our Human Resource Manager now reconciles the General Operating Account and Payroll Account. This employee does not have access to writing checks or recording transactions except in rare instances when the Finance Director or Finance Assistant is not available.

06-02

The Inmate Trust Fund is now being recorded using C.A.C.T.U.S. software, from Stewart distribution of Waycross, Georgia. The monthly review by another employee will continue. A greater effort will be made to give each inmate their personal funds when leaving our facility. At release each inmate will complete an envelope with their current address. If there are funds being held for an inmate after his or her release, our Commissary Clerk will send the inmate a check to the address on the envelope. If an inmate does not give his or her current address on the release, a letter will be sent to the last known address on file. If the funds are still not claimed by the inmate, the funds will be transferred to the state to Unclaimed Funds.



06-03

Deposits will be made in a timely manner as we have hired a part-time Civil Clerk in March 2007 to help with daily duties.

06-04

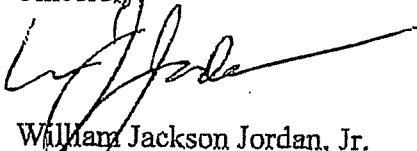
In October 2006 we opened a separate account for Community Projects. All transactions will be handled from this account and not through the General Operating Account.

06-05

We have already made the adjustments necessary to reduce our expenditures for fiscal year 2007 to bring our two fiscal year budgets into alignment. A Finance Assistant was hired in late October 2006 and another part-time Finance Assistant will be hired in late spring or early summer of 2007 when we have more office space. Steps have already been taken to review the general ledger accounts each month for accuracy to insure that this situation will never be repeated.

Thank you for your helpful suggestions and for working with us to improve our operations.

Sincerely,



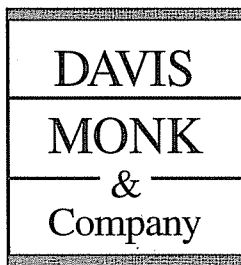
William Jackson Jordan, Jr.  
Chief Deputy

WJJ/ihg

**Sumter County Tax Collector  
Audit Report  
September 30, 2006**

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*Members:*

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American Institute of  
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Horwath International

## Independent Auditors' Report

The Honorable Tom Swain  
Tax Collector  
Sumter County, Florida

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the Sumter County Tax Collector (the "Office") as of and for the year ended September 30, 2006, which collectively comprise the Office's special purpose financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Office. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1 to the financial statements, the accompanying financial statements have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida. They include only the financial activity of the Office, which is an integral part of Sumter County, the primary government for financial reporting purposes.

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Office at September 30, 2006, and the respective changes in financial position, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 24, 2006 on our consideration of the Office's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Honorable Tom Swain  
Tax Collector  
Sumter County, Florida

Page Two

The budgetary comparison schedule listed in the table of contents as "required supplementary information" is not a required part of the special purpose financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

This report is intended solely for the information and use of the Office, its management, and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

*Davis, Hark, & Company*

October 24, 2006  
Gainesville, Florida

**Balance Sheet – Governmental Funds**  
**September 30, 2006**  
**Sumter County Tax Collector**

	GENERAL FUND
<u>ASSETS</u>	
Cash and Equivalents	<u>\$ 28,572</u>
<u>LIABILITIES AND FUND BALANCE</u>	
<u>LIABILITIES</u>	
Accounts Payable and Accrued Liabilities	\$ 21,252
Due to Other County Agencies	<u>7,320</u>
TOTAL LIABILITIES	28,572
FUND BALANCE	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 28,572</u>

The accompanying “Notes to Financial Statements”  
form an integral part of this statement.

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended September 30, 2006**  
**Sumter County Tax Collector**

	GENERAL FUND
<u>REVENUES</u>	\$ -
<u>EXPENDITURES</u>	
Current:	
General Government Services	<u>1,508,085</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u>(1,508,085)</u>
<u>OTHER FINANCING SOURCES (USES)</u>	
Appropriation from Board of County Commissioners	1,514,555
Reversion to Board of County Commissioners	<u>(6,470)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,508,085</u>
NET CHANGE IN FUND BALANCE	-
FUND BALANCE - October 1, 2005	<u>-</u>
FUND BALANCE - September 30, 2006	<u><u>\$ -</u></u>

The accompanying "Notes to Financial Statements"  
form an integral part of this statement.

**Statement of Fiduciary Net Assets**  
**September 30, 2006**  
**Sumter County Tax Collector**

	AGENCY <u>FUND</u>
<u>ASSETS</u>	
Cash and Equivalents	\$1,135,216
Due From Other Governments	92
Receivables	<u>3,224</u>
 TOTAL ASSETS	 <u>1,138,532</u>
 <u>LIABILITIES</u>	
Assets Held for Others	1,081,711
Due to Other County Agencies	<u>56,821</u>
 TOTAL LIABILITIES	 <u>1,138,532</u>
 NET ASSETS	 <u><u>\$ -</u></u>

The accompanying "Notes to Financial Statements"  
form an integral part of this statement.

**Notes to Financial Statements**  
**September 30, 2006**  
**Sumter County Tax Collector**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Sumter County Tax Collector conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

**Reporting Entity**

The Tax Collector is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

The Office is an integral part of Sumter County, the primary government for financial reporting purposes.

**Basis of Presentation**

The Office's financial statements are special purpose financial statements that have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These special purpose financial statements are the fund financial statements specified in GASB Statement 34. In conformity with the Rules, the Office has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements.

**Fund Accounting**

Accounts are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed as a separate column. All nonmajor funds are aggregated and displayed in a single column.

The Office reports the following major governmental fund:

General Fund - The General Fund is the general operating fund. It is used to account for all financial resources, except those required to be accounted for in another fund.

The Office does not report any nonmajor governmental funds.

The Office also reports the following fiduciary fund:

Agency Fund - The Agency Fund is used to account for assets held by the Office in a custodial capacity.



**Notes to Financial Statements**  
**September 30, 2006**  
**Sumter County Tax Collector**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Measurement Focus/Basis of Accounting**

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

Agency fund assets and liabilities are accounted for on the accrual basis of accounting.

**Capital Assets and Long-Term Liabilities**

Capital assets used by the Office are recorded and accounted for by the Sumter County Board of County Commissioners.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the financial statements of the County.

**Cash and Equivalents**

All cash and equivalents are placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Every qualified public depository is required by this law to deposit with the State Treasurer eligible collateral equal to, or in excess of, an amount to be determined by the State Treasurer. The State Treasurer is required to ensure that all funds are entirely collateralized throughout the fiscal year.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

**Notes to Financial Statements  
September 30, 2006  
Sumter County Tax Collector**

**NOTE 2 – CHANGES IN LONG-TERM LIABILITIES**

A summary of changes in long-term liabilities follows:

	BALANCE OCTOBER 1, <u>2005</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	BALANCE SEPTEMBER 30, <u>2006</u>	DUE WITHIN ONE YEAR
Compensated Absences	<u>\$ 60,000</u>	<u>\$ 56,000</u>	<u>\$ 57,000</u>	<u>\$ 59,000</u>	<u>\$ 26,000</u>

**NOTE 3 – PENSION PLAN**

*Plan Description.* The Office contributes to the Florida Retirement System ("System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Administration, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida 32315, or by calling (850) 488-6491.

*Funding Policy.* The System is employee noncontributory. The Office is required to contribute at an actuarially determined rate. The rates at September 30, 2006 were as follows: Regular Employees 9.85%; Special Risk Employees 20.92%; Senior Management 13.12%; Elected Officials 16.53%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2006, 2005 and 2004 were approximately \$76,000, \$52,000 and \$48,000, respectively, equal to the required contributions for each year.

**NOTE 4 – RISK MANAGEMENT**

For health insurance, the Office participates in the risk management program established by the Board of County Commissioners to cover claims against the Board and Constitutional Officers. The risk management program is accounted for in the Board's financial statements as an Internal Service Fund, in accordance with requirements of GASB Statement 10.

For risks of loss related to workers' compensation, general liability and errors or omissions, the Office participates with the Board of County Commissioners to purchase commercial insurance. For the past three years, there have been no insurance settlements in excess of insurance coverages.

## **REQUIRED SUPPLEMENTARY INFORMATION**

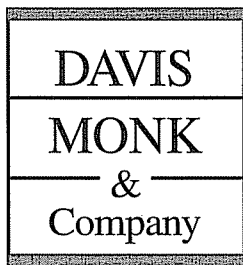
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – General Fund**  
**For the Year Ended September 30, 2006**  
**Sumter County Tax Collector**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Current:				
General Government Services	<u>1,514,555</u>	<u>1,514,555</u>	<u>1,508,085</u>	<u>6,470</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	<u>(1,514,555)</u>	<u>(1,514,555)</u>	<u>(1,508,085)</u>	<u>6,470</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriation from Board of County Commissioners	<u>1,514,555</u>	<u>1,514,555</u>	<u>1,514,555</u>	<u>-</u>
Reversion to Board of County Commissioners	<u>-</u>	<u>-</u>	<u>(6,470)</u>	<u>(6,470)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,514,555</u>	<u>1,514,555</u>	<u>1,508,085</u>	<u>(6,470)</u>
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - October 1, 2005	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - September 30, 2006	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

**ADDITIONAL ELEMENTS REQUIRED BY THE  
RULES OF THE AUDITOR GENERAL**



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## Management Letter

The Honorable Tom Swain  
Tax Collector  
Sumter County, Florida

We have audited the financial statements of the Sumter County Tax Collector, as of and for the fiscal year ended September 30, 2006, and have issued our report thereon dated October 24, 2006. We have also issued our report on internal control over financial reporting and on compliance and other matters. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

### Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address significant findings or recommendations made in the preceding audit. There were no significant findings or recommendations made in the preceding audit report.

### Investment of Public Funds

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal any noncompliance with the provisions of Section 218.415, Florida Statutes.

### Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

This management letter is intended solely for the information and use of the Sumter County Tax Collector and management, and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

### *Members:*

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American Institute of  
Certified Public Accountants

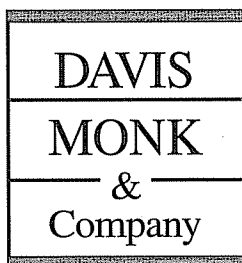
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The Honorable Tom Swain  
Tax Collector  
Sumter County, Florida

Page Two

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

*Ravis, Monk, & Company*  
October 24, 2006  
Gainesville, Florida



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## **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters**

The Honorable Tom Swain  
Tax Collector  
Sumter County, Florida

We have audited the financial statements of the major fund and the aggregate remaining fund information of the Sumter County Tax Collector (the "Office") as of and for the year ended September 30, 2006, which collectively comprise the Office's special purpose financial statements and have issued our report thereon dated October 24, 2006. Our report on the financial statements included a paragraph explaining that the Office is an integral part of Sumter County, the primary government for financial reporting purposes. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Office's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Office's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### ***Members:***

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Florida Institute of  
Certified Public Accountants

American Institute of  
Certified Public Accountants

Horwath International



The Honorable Tom Swain  
Tax Collector  
Sumter County, Florida

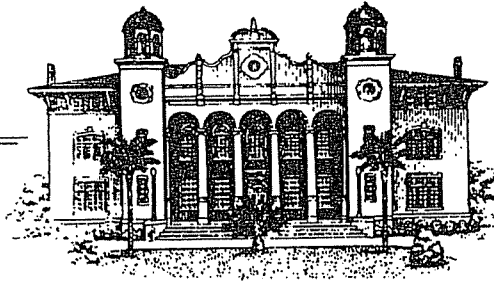
Page Two

This report is intended solely for the information and use of the Sumter County Tax Collector and management, and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

*Havis, Wolk & Company*

October 24, 2006  
Gainesville, Florida

*Sumter  
County*



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**TOM SWAIN**  
Certified Tax Collector

Wildwood Branch Office  
362 Shopping Center Dr.  
Wildwood, FL 34785  
(352) 330-1390  
FAX (352) 330-1393

December 4, 2006

Honorable William M. Monroe  
State of Florida Auditor General  
P.O. Box 1735  
Tallahassee, Florida 32302

Dear Honorable William Monroe;

I have been presented with the audit report for Sumter County Tax Collector for the fiscal year ending September 30, 2006. I am pleased to note that there were no adverse comments, which require corrective action.

Yours truly,

A handwritten signature in black ink, appearing to read 'Tom Swain', written over a horizontal line.

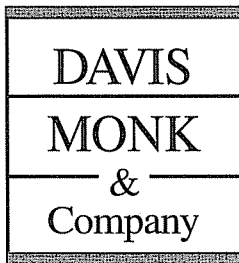
Tom Swain, Tax Collector  
Sumter County

TS/mm

**Sumter County Property Appraiser  
Audit Report  
September 30, 2006**

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*Website:*

[www.davismonk.com](http://www.davismonk.com)

## Independent Auditors' Report

The Honorable Ronald E. Hawkins  
Property Appraiser  
Sumter County, Florida

We have audited the accompanying special purpose financial statements of the Sumter County Property Appraiser (the "Office") as of and for the year ended September 30, 2006, as listed in the table of contents. These financial statements are the responsibility of the management of the Office. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1 to the financial statements, the accompanying financial statements have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida. They include only the financial activity of the Office, which is an integral part of Sumter County, the primary government for financial reporting purposes.

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the Office at September 30, 2006, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 8, 2006 on our consideration of the Office's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Members:*

CPAmerica International

Florida Institute of  
Certified Public Accountants

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Horwath International

The Honorable Ronald E. Hawkins  
Sumter County Property Appraiser  
Sumter County, Florida

Page Two

The budgetary comparison schedule listed in the table of contents as "required supplementary information" is not a required part of the special purpose financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

This report is intended solely for the information and use of the Office, its management, and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

*Harris, Hunk, & Company*

November 8, 2006  
Gainesville, Florida

**Balance Sheet – Governmental Funds**  
**September 30, 2006**  
**Sumter County Property Appraiser**

	GENERAL FUND
<u>ASSETS</u>	
Cash and Equivalents	<u>\$ 35,719</u>
<u>LIABILITIES AND FUND BALANCE</u>	
<u>LIABILITIES</u>	
Accounts Payable and Accrued Liabilities	\$ 1,934
Due to Other County Agencies	<u>33,785</u>
TOTAL LIABILITIES	35,719
FUND BALANCE	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 35,719</u>

The accompanying “Notes to Financial Statements”  
form an integral part of this statement.

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended September 30, 2006**  
**Sumter County Property Appraiser**

	GENERAL FUND
<u>REVENUES</u>	
Charges for Services	\$ 49,817
Miscellaneous Revenue	<u>95</u>
TOTAL REVENUES	49,912
<u>EXPENDITURES</u>	
Current:	
General Government Services	<u>1,223,289</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u>(1,173,377)</u>
<u>OTHER FINANCING SOURCES (USES)</u>	
Appropriation from Board of County Commissioners	1,207,162
Reversion to Board of County Commissioners	<u>(33,785)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,173,377</u>
FUND BALANCE - October 1, 2005	<u>-</u>
FUND BALANCE - September 30, 2006	<u><u>\$ -</u></u>

The accompanying "Notes to Financial Statements"  
form an integral part of this statement.

**Notes to Financial Statements**  
**September 30, 2006**  
**Sumter County Property Appraiser**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Sumter County Property Appraiser (the "Office"), conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

**Reporting Entity**

The Property Appraiser is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

The Office is an integral part of Sumter County, the primary government for financial reporting purposes.

**Basis of Presentation**

The Office's financial statements are special purpose financial statements that have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These special purpose financial statements are the fund financial statements specified in GASB Statement 34. In conformity with the Rules, the Office has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements.

**Fund Accounting**

Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed as a separate column. All non-major funds are aggregated and displayed in a single column.

The Office reports the following major governmental fund:

**General Fund** - The General Fund is the general operating fund. It is used to account for all financial resources, except those required to be accounted for in another fund.

The Office does not report any nonmajor governmental funds.

**Measurement Focus/Basis of Accounting**

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and,



**Notes to Financial Statements**  
**September 30, 2006**  
**Sumter County Property Appraiser**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

**Capital Assets and Long-Term Liabilities**

Capital assets used by the Office are recorded and accounted for by the Sumter County Board of County Commissioners.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the financial statements of the County.

**Cash and Equivalents**

All cash and equivalents are placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Every qualified public depository is required by this law to deposit with the State Treasurer eligible collateral equal to, or in excess of, an amount to be determined by the State Treasurer. The State Treasurer is required to ensure that all funds are entirely insured or collateralized throughout the fiscal year.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

**Notes to Financial Statements**  
**September 30, 2006**  
**Sumter County Property Appraiser**

**NOTE 2 - CHANGES IN LONG-TERM DEBT**

A summary of changes in long-term debt follows:

	BALANCE OCTOBER 1, 2005	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 2006	DUE WITHIN ONE YEAR
Compensated Absences	<u>\$ 69,000</u>	<u>\$ 53,000</u>	<u>\$ 58,000</u>	<u>\$ 64,000</u>	<u>\$ 26,000</u>

**NOTE 3 - PENSION PLAN**

*Plan Description.* The Office contributes to the Florida Retirement System (the "System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Administration, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida 32315, or by calling (850) 488-6491.

*Funding Policy.* The System is employee noncontributory. The Office is required to contribute at an actuarially determined rate. The rates at September 30, 2006 were as follows: Regular Employees 7.83%; Special Risk Employees 18.53%; Senior Management 10.45%; Elected Officials 15.23%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2006, 2005 and 2004 were approximately \$71,000, \$59,000 and \$56,000, respectively, equal to the required contributions for each year.

**NOTE 4 - RISK MANAGEMENT**

For health insurance, the Office participates in the risk management program established by the Board of County Commissioners to cover claims against the Board and Constitutional Officers. The risk management program is accounted for in the Board's financial statements as an Internal Service Fund, in accordance with requirements of GASB Statement 10.

For risks of loss related to workers' compensation, general liability and errors or omissions, the Office participates with the Board of County Commissioners to purchase commercial insurance. For the past three years, there have been no insurance settlements in excess of insurance coverages.

## **REQUIRED SUPPLEMENTARY INFORMATION**

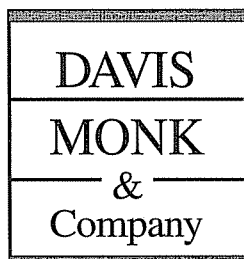
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – General Fund**  
**For the Year Ended September 30, 2006**  
**Sumter County Property Appraiser**

	BUDGETED AMOUNTS			VARIANCE WITH FINAL
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>
<b><u>REVENUES</u></b>				
Charges for Services	\$ 46,017	\$ 46,017	\$ 49,817	\$ 3,800
Miscellaneous Revenue	-	-	95	95
<b>TOTAL REVENUES</b>	<b>46,017</b>	<b>46,017</b>	<b>49,912</b>	<b>3,895</b>
<b><u>EXPENDITURES</u></b>				
Current:				
General Government Services	<u>1,253,618</u>	<u>1,253,179</u>	<u>1,223,289</u>	<u>29,890</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b><u>(1,207,601)</u></b>	<b><u>(1,207,162)</u></b>	<b><u>(1,173,377)</u></b>	<b><u>33,785</u></b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Appropriation from Board of County Commissioners	1,207,601	1,207,162	1,207,162	-
Reversion to Board of County Commissioners	<u>-</u>	<u>-</u>	<u>(33,785)</u>	<u>(33,785)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>1,207,601</u></b>	<b><u>1,207,162</u></b>	<b><u>1,173,377</u></b>	<b><u>(33,785)</u></b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES - October 1, 2005</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>FUND BALANCES - September 30, 2006</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

**ADDITIONAL ELEMENTS REQUIRED BY THE  
RULES OF THE AUDITOR GENERAL**



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## Management Letter

The Honorable Ronald E. Hawkins  
Property Appraiser  
Sumter County, Florida

We have audited the financial statements of the Sumter County Property Appraiser, as of and for the fiscal year ended September 30, 2006, and have issued our report thereon dated November 8, 2006. We have also issued our report on internal control over financial reporting and on compliance and other matters. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

### Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address significant findings or recommendations made in the preceding audit. There were no significant finding made in the preceding audit report.

### Investment of Public Funds

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal any noncompliance with the provisions of Section 218.415, Florida Statutes.

### Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

This management letter is intended solely for the information and use of the Sumter County Property Appraiser and management, and the State of Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

### *Members:*

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American Institute of  
Certified Public Accountants

Horwath International

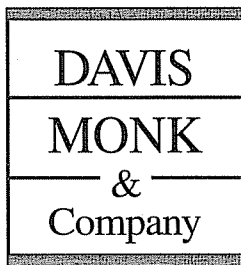
The Honorable Ronald E. Hawkins  
Property Appraiser  
Sumter County, Florida

Page Two

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

*Harris, Hunk, & Company*

November 8, 2006  
Gainesville, Florida



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## Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

The Honorable Ronald E. Hawkins  
Property Appraiser  
Sumter County, Florida

We have audited the financial statements of the Sumter County Property Appraiser (the "Office") as of and for the year ended September 30, 2006, and have issued our report thereon dated November 8, 2006. Our report on the financial statements included a paragraph explaining that the Office is an integral part of Sumter County, the primary government for financial reporting purposes. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Office's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Sumter County Property Appraiser and management, and the State of Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

November 8, 2006  
Gainesville, Florida

#### *Members:*

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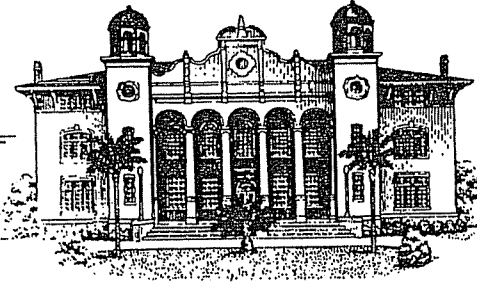
Florida Institute of  
Certified Public Accountants

American Institute of  
Certified Public Accountants

Horwath International



*Sumter  
County*



**RONNIE HAWKINS**  
CERTIFIED FLORIDA APPRAISER  
PROPERTY APPRAISER  
SUMTER COUNTY

209 N. FLORIDA STREET, SUITE 2  
BUSHNELL, FLORIDA 33513-6146  
(352) 793-0210  
TOLL FREE (800) 793-0201  
FAX (352) 793-0248

December 15, 2006

Mr. William Monroe  
Auditor General  
State of Florida  
Post Office Box 1735  
Tallahassee, FL 32302

Dear Mr. Monroe:

I have been presented with the audit report for the Sumter County Property Appraiser's office for the fiscal year ending September 30, 2006. I am pleased to note that there are no audit findings that require corrective action.

Sincerely,

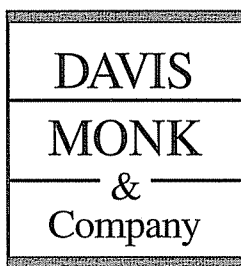
A handwritten signature in black ink, appearing to read 'Ronnie Hawkins'.

Ronnie Hawkins, CFA  
Property Appraiser  
RH/ml

**Sumter County Supervisor of Elections  
Audit Report  
September 30, 2006**

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## Independent Auditors' Report

The Honorable Karen S. Krauss  
Supervisor of Elections  
Sumter County, Florida

We have audited the accompanying special purpose financial statements of the Sumter County Supervisor of Elections (the "Office") as of and for the year ended September 30, 2006, as listed in the table of contents. These financial statements are the responsibility of the management of the Office. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1 to the financial statements, the accompanying financial statements have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida. They include only the financial activity of the Office, which is an integral part of Sumter County, the primary government for financial reporting purposes.

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the Office at September 30, 2006, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 25, 2006 on our consideration of the Office's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The budgetary comparison schedule listed in the table of contents as "required supplementary information" is not a required part of the special purpose financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited

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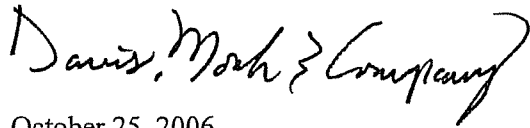
Horwath International

The Honorable Karen S. Krauss  
Supervisor of Elections  
Sumter County, Florida

Page Two

procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

This report is intended solely for the information and use of the Office, its management, and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Davis, Mark & Company". The signature is written in a cursive, flowing style.

October 25, 2006  
Gainesville, Florida

**Balance Sheet – Governmental Funds  
September 30, 2006  
Sumter County Supervisor of Elections**

	GENERAL FUND
<u>ASSETS</u>	
Cash	<u>\$ 23,761</u>
<u>LIABILITIES AND FUND BALANCE</u>	
<u>LIABILITIES</u>	
Accounts Payable and Accrued Liabilities	\$ 1,262
Due to Other County Agencies	<u>3,596</u>
TOTAL LIABILITIES	4,858
FUND BALANCE	
Reserved - State Elections Grant	<u>18,903</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 23,761</u>

The accompanying "Notes to Financial Statements"  
form an integral part of this statement.

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended September 30, 2006**  
**Sumter County Supervisor of Elections**

	GENERAL FUND
<u>REVENUES</u>	
Intergovernmental	<u>\$ 23,602</u>
<u>EXPENDITURES</u>	
Current:	
General Government Services	1,117,425
Debt Service:	
Principal	9,686
Interest	<u>1,019</u>
TOTAL EXPENDITURES	<u>1,128,130</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u>(1,104,528)</u>
<u>OTHER FINANCING SOURCES (USES)</u>	
Appropriation from Board of County Commissioners	1,127,027
Reversion to Board of County Commissioners	<u>(3,596)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,123,431</u>
NET CHANGE IN FUND BALANCE	18,903
FUND BALANCE - October 1, 2005	<u>-</u>
FUND BALANCE - September 30, 2006	<u><u>\$ 18,903</u></u>

The accompanying "Notes to Financial Statements"  
form an integral part of this statement.

**Notes to Financial Statements**  
**September 30, 2006**  
**Sumter County Supervisor of Elections**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Sumter County Supervisor of Elections conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

**Reporting Entity**

The Supervisor of Elections is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

The Office is an integral part of Sumter County, the primary government for financial reporting purposes.

**Basis of Presentation**

The Office's financial statements are special purpose financial statements that have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These special purpose financial statements are the fund financial statements specified in GASB Statement 34. In conformity with the Rules, the Office has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements.

**Fund Accounting**

Accounts are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. In the accompanying financial statements, one fund is reported, as follows:

**GOVERNMENTAL FUNDS**

**General Fund** - The General Fund is the general operating fund. It is used to account for all financial resources.

**Measurement Focus/Basis of Accounting**

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

**Notes to Financial Statements**  
**September 30, 2006**  
**Sumter County Supervisor of Elections**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

**Capital Assets and Long-Term Liabilities**

Capital assets used by the Office are recorded and accounted for by the Sumter County Board of County Commissioners.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the financial statements of the County.

**Cash**

All cash is placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Every qualified public depository is required by this law to deposit with the State Treasurer eligible collateral equal to, or in excess of, an amount to be determined by the State Treasurer. The State Treasurer is required to ensure that all funds are entirely insured or collateralized throughout the fiscal year.

**Reserved Fund Balance**

In the accompanying financial statements, use of the term *reserved* is limited to indicating that a portion of reported fund equity is legally restricted to a specific future use or is not available for appropriation or expenditure.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.



**Notes to Financial Statements**  
**September 30, 2006**  
**Sumter County Supervisor of Elections**

**NOTE 2 – LONG-TERM LIABILITIES**

A summary of changes in long-term liabilities follows:

	BALANCE OCTOBER 1, 2005	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 2006	DUE WITHIN ONE YEAR
Compensated Absences	\$ 31,000	\$ 29,000	\$ 20,000	\$ 40,000	\$ 15,850
Obligation Under Capital Lease	21,880	-	9,686	12,194	8,500
Total	<u>\$ 52,880</u>	<u>\$ 29,000</u>	<u>\$ 29,686</u>	<u>\$ 52,194</u>	<u>\$ 24,350</u>

The Office has \$30,000 of equipment under capital leases. The following is a schedule of future minimum lease payments together with the present value of the net minimum lease payments as of September 30, 2006:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 8,500	\$ 500	\$ 9,000
2008	<u>3,694</u>	<u>56</u>	<u>3,750</u>
Total	<u>\$ 12,194</u>	<u>\$ 556</u>	<u>\$ 12,750</u>

**NOTE 3 – PENSION PLAN**

*Plan Description.* The Office contributes to the Florida Retirement System ("System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Administration, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, 2639 North Monroe Street, Tallahassee, Florida 32399, or by calling (850) 488-5706.

*Funding Policy.* The System is employee noncontributory. The Office is required to contribute at an actuarially determined rate. The rates at September 30, 2006 were as follows: Regular Employees 7.83%; Special Risk Employees 18.53%; Senior Management 10.45%; Elected Officials 15.23%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2006, 2005 and 2004 were \$48,846, \$38,564 and \$39,937, respectively, equal to the required contributions for each year.

## **REQUIRED SUPPLEMENTARY INFORMATION**

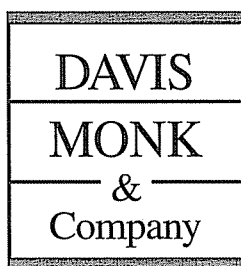
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – General Fund**  
**For the Year Ended September 30, 2006**  
**Sumter County Supervisor of Elections**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b><u>REVENUES</u></b>				
Intergovernmental	\$ -	\$ 23,602	\$ 23,602	\$ -
<b><u>EXPENDITURES</u></b>				
Current:				
General Government Services	1,111,359	1,139,924	1,117,425	22,499
Debt Service:				
Principal	9,686	9,686	9,686	-
Interest	1,019	1,019	1,019	-
<b>TOTAL EXPENDITURES</b>	<u>1,122,064</u>	<u>1,150,629</u>	<u>1,128,130</u>	<u>22,499</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,122,064)</u>	<u>(1,127,027)</u>	<u>(1,104,528)</u>	<u>22,499</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Appropriation from Board of County Commissioners	1,122,064	1,127,027	1,127,027	-
Reversion to Board of County Commissioners	-	-	(3,596)	(3,596)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,122,064</u>	<u>1,127,027</u>	<u>1,123,431</u>	<u>(3,596)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	18,903	18,903
<b>FUND BALANCES - October 1, 2005</b>	-	-	-	-
<b>FUND BALANCES - September 30, 2006</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,903</u>	<u>\$ 18,903</u>

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

**ADDITIONAL ELEMENTS REQUIRED BY THE  
RULES OF THE AUDITOR GENERAL**



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& Business Consultants

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*Gainesville*

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## Management Letter

The Honorable Karen S. Krauss  
Supervisor of Elections  
Sumter County, Florida

We have audited the financial statements of the Sumter County Supervisor of Elections, as of and for the fiscal year ended September 30, 2006, and have issued our report thereon dated October 25, 2006. We have also issued our report on internal control over financial reporting and on compliance and other matters. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

### Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding audit. In that regard, there were no prior year findings.

### Investment of Public Funds

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal any noncompliance with the provisions of Section 218.415, Florida Statutes.

### Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

We did observe various favorable conditions during the course of our audit, certain of which are hereafter presented for your consideration.

- We did not discover any illegal or improper expenditures, or any material violations of laws, rules, and regulations.
- We did not discover any irregularities, defalcations, or shortages.

### *Members:*

CPAmerica International

Florida Institute of  
Certified Public Accountants

American Institute of  
Certified Public Accountants

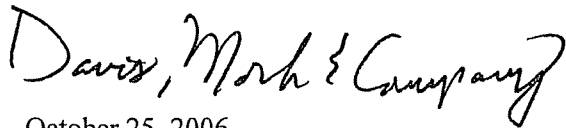
Horwath International

The Honorable Karen S. Krauss  
Supervisor of Elections  
Sumter County, Florida

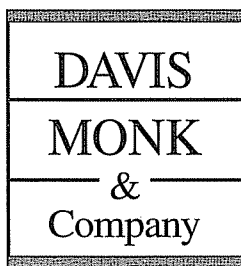
Page Two

This management letter is intended solely for the information and use of the Sumter County Supervisor of Elections and management, and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

A handwritten signature in black ink that reads "Davis, Mark & Company". The signature is written in a cursive, flowing style.

October 25, 2006  
Gainesville, Florida



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## Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

The Honorable Karen S. Krauss  
Supervisor of Elections  
Sumter County, Florida

We have audited the financial statements of the Sumter County Supervisor of Elections (the "Office") as of and for the year ended September 30, 2006, and have issued our report thereon dated October 25, 2006. Our report on the financial statements included a paragraph explaining that the Office is an integral part of Sumter County, the primary government for financial reporting purposes. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

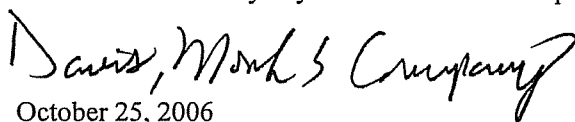
### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Office's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Office and its management, and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.



October 25, 2006  
Gainesville, Florida

Members:

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Certified Public Accountants

American Institute of  
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Horwath International

***Karen S. Krauss, Supervisor of Elections***  
***Sumter County, Florida***

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**October 25, 2006**

**The Honorable Bill Monroe**  
**Auditor General's Office**  
**P. O. Box 1735**  
**Tallahassee, Florida 32302**

**Dear Mr. Monroe,**

**I have received the audit report on the Supervisor of Elections' office for the year ended September 30, 2006. I am pleased to note that the audit has no adverse findings which require corrective action.**

**Please advise if you have any questions.**

**Sincerely,**

**Karen S. Krauss**  
**Supervisor of Elections**  
**Sumter County**